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NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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Council for Antimonopolist Policy Meets

LD0810111794 Bishkek Kyrgyz Radio First Program Network in Russian 0000 GMT 8 Oct 94

[FBIS Translated Text] About 40 specialists from the CIS member-states, the Baltic region, and East Europe participated in the third meeting of the International Council for Antimonopolist Policy of the CIS States, which ended in Bishkek on 7 October. The agenda included a number of important issues related to forming a common economic space under the market economy on the former USSR territory. Commenting on this event, Leonid Losev, chairman of the interstate council and head of the state antimonopolist policy committee in support of new economic structures in Russia said: Among the most important documents examined at our meeting, I would name two especially significant ones. First, a model draft law on competition and, second, a draft agreement on synchronized efforts while setting up industrial transnational corporations, companies, financial and industrial groups, associations, joint ventures, and amalgamations. These two documents, which, if adopted, will become, in essence, enforceable enactments, will serve as a realistic concrete basis for the progressive movement of our states' economies and will meet the interests of our societies on the whole and individually. The above mentioned law has already been included in the agenda of the interparliamentary assembly scheduled for late October in St. Petersburg. As far as the agreement is concerned, this document, which contains unified antimonopolist requirements and economic integration processes, should be signed at an interstate level.

Central Asian Economic Integration Plan Complete

LD1010160194 Almaty KAZTAG in Russian 1100 GMT 10 Oct 94

[FBIS Translated Text] [no dateline as received]—A session of experts of Kazakhstan, Kyrgyzstan, and Uzbekistan has been held in Bishkek with the participation of representatives of the executive committee of the Interstate Council. It considered and discussed items on the agenda of the next session of the council of prime ministers of the three states to be held in Tashkent.

The economic integration program between Kazakhstan, Kyrgyzstan and Uzbekistan was finalized. A new section has been included—"Geological Structure"—which sets out the creation of a coordination council with the aim of integrating the efforts of the geological services to study the Central Asia region.

Agreement was also reached on creating an interstate joint-stock company, "Ak-su", on the basis of the Aksu corn-processing combine and the Kyrgyz starch syrup works.

Kyrgyzstan will consider the question of its share of participation in financing construction of the second segment of the gas pipeline passing through its territory and the West Kazakhstan- Kumkol oil pipeline.

A mechanism and principles have been worked out for implementing joint plans in the area of the pharmaceutical industry and health care, and approval was given to a draft agreement on cooperation and interaction in the sphere of research into earthquakes and the forecasting of seismic danger.

The experts drew up proposals to supply the three republics with sugar as well as control and measuring devices for gas, water, and electricity. The execution of the measures outlined will provide the possibility to improve supplies of medicines to the population at more accessible prices, to reduce the cost of sugar production, ensure greater satisfaction of the demand for it and reduce imports of this product.

Apart from that, draft documents were considered on measures to bring economic legislation more into line, on concepts of use of energy sources and electricity, and on other issues.

Economic Union Augurs Reintegration of CIS States

MK0710143094 Moscow NEZAVISIMAYA GAZETA in Russian 7 Oct 94 p 1

[Report by Anna Ostapchuk in the "Integration" column: "Deputies of Four Republics Have Created an 'Economic Union.' The Bet Is on Financial-Industrial Groups"]

[FBIS Translated Text] The creation of an interfactional deputies group, the Economic Union, including representatives of both houses of the Russian parliament, was announced yesterday evening. It includes 19 people representing various groupings of the Federation Council united by one objective: to begin work on the economic reintegration of the former USSR countries "from below," by forming transnational financial-industrial groups. By 6 October similar groups had been created in Belorussia [Belarus], Ukraine, and Kazakhstan. The minimum program of all these four entities is to work out and get through their legislatures corresponding laws on financial-industrial groups.

The creation of a structure that tasks itself with coordinating the reintegration efforts of the legislative branches of the four CIS republics is unprecedented. No fewer than several hundred documents have been adopted on the subject of economic integration within the CIS framework. Unfortunately, however, it has to be admitted that so far they are not working. An economic union on Commonwealth territory has not materialized.

"It has not happened because it was envisioned as an association of bosses, not producers," Nikolay Gonchar, initiator of the new integration model and chairman of the Federation Council's Budget and Finances Committee, believes. According to him, for real reintegration

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to begin, a common legal field is needed. Quite obviously, it can be created in two ways: either by adopting uniform laws (while there is no common legislature) or by working out coordinated laws—analyzing and adjusting current laws and trying to bring new laws as close together as possible in the drafting stage. It is not hard to see that the second path appears to be the most realistic.

According to Gonchar, the interfactional Economic Union group includes deputies who share the following theses: preservation of an industry-based economy is the major prerequisite for Russia's survival; it can be helped only by massive nonstate investments; investment will begin only into integrated production, and only integration will restore it; and the model of integration through financial-industrial groups is recognized as quite effective.

The interfactional group does not encroach on the structure of factions. Nikolay Gonchar said that "if a faction is categorically against integration, its representatives will not join us." The Economic Union is essentially a working group for coordinating different interests represented in parliament and for promoting the ideas of economic integration. In Ukraine, the statement on the Economic Union was signed by 21 deputies; in Belorussia, by 16; in Kazakhstan, 21; and in Russia, 19. Russian parliamentarians sharing this position include Aleksandr Pochinok, Yuriy Yakovlev, Vladimir Semago, Yuriy Boldyrev, Aleksandr Belyakov, Oleg Ochin, and Sergey Shakhray (in all, nine deputies of the State Duma and 10 members of the Federation Council).

The first law drafted by the Economic Union with the aim of forming a common legal space is the law On Financial-Industrial Groups. The draft has been sent to the Supreme Soviets of Ukraine, Belorussia, and Kazakhstan.

According to the authors, the draft will play a very important role in such industries and shipbuilding (Russia needs Ukrainian ports), aircraft building (enterprises producing a particular model are scattered around Russia, Ukraine, and Georgia), metallurgy, oil processing, and so forth.

The architects of the law hope that at the next Federation Council session the draft law will be submitted as a legislative initiative by the budget and finance committee.

ITAR-TASS Carries Press Review for 8 Oct

LD0810092794 Moscow ITAR-TASS in English 0811 GMT 8 Oct 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow October 8 TASS—"The State Duma launched an attack against the president," the NEZAVISIMAYA GAZETA says.

The daily features on its first page an article by its correspondent Ivan Rodin, who comments on another "scandal" which broke out in the lower chamber of the Russian parliament, because the Liberal-Democratic Party's faction decided to suspend "for an indefinite period" its activities in the State Duma.

According to Vladimir Zhirinovskiy, the leader of the Liberal- Democratic Party of Russia (LDPR), the move was made in protest over an incident which took place in the Kemerovo airport last Sunday. An aircraft with the party's delegation on board, which headed for North Korea for an official visit was refused a stop-over in Kemerovo.

Rodin describes actions of the LDPR faction in the State Duma as a fuse which may "blow up" the activities of the lower house.

"Having supported non-participation of the LDPR faction in the meetings (of the State Duma), the factions of the Communist Party of the Russian Federation and the Agrarian Party together with deputies from other factions achieved what they wanted: a discussion on the question how the executive branch of power complies with the laws adopted by the State Duma, is scheduled for October 12," Rodin writes.

These vigorous activities are essentially aimed at "breaking the image of the State Duma as a bustling body which is but harmless in respect of the presidential administration, he adds.

"I have never applied for resignation and I do not intend to do so," Aleksandr Yakovlev, chairman of the "Ostankino" radio and television company, told "IZVESTIYA" in an interview.

According to Yakovlev, rumours about his possible resignation are groundless and represent a manifestation of a campaign in Russian mass media aimed at discrediting the "Ostankino" company.

"Television continues to draw many interested persons, including both those in power and those who long for it. Everybody wants to be shown on a television screen. And the struggle around tv will only grow more tense in the run-up to presidential elections. Each political grouping wants to put its own man in charge of the "Ostankino". The reckoning is clear: to "seize" the Kremlin, you must "seize" the television," says Yakovlev.

"KRASNAYA ZVEZDA" voices concern over the forthcoming drafting campaign in the armed forces. "The drafting campaign '93 was most difficult," it says.

In 1993, "less than 22 percent of persons liable to military service went to serve in the armed forces. A total of 70,000 conscripts violated the law by evading the call-up. As a result, the army was made up to only 53 percent of its full strength," the daily says.

"What are we in for this autumn?" it asks. Will police again - as it was in 1993 - have to apprehend some of the

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conscripts? Acccording to the daily, our legislation needs to be altered so that to avoid it.

"Many citizens totally lack law-abiding awareness; legal foundations of the service in the army are also eroded; certain provisions of the law "on person's liabilities and military service" are not working to full capacity. Small wonder that one finds it easy to evade military service nowadays," the daily says.

"SOVETSKAYA ROSSIYA" publishes a table on Russia's export operations under the banner headline - "who devours Russian natural resources". According to the daily, the table was drawn up based on data of the state committee for statistics. The table reveals "unprecedented, landsliding nature of plundering the country", "undiscriminating and all-round selling off of irredeemable national resources" which takes place in Russia, it says.

"ROSSIYSKIYE VESTI" daily puts forward a new version of the A-310 airbus crash which occured in Siberia last winter. Former pilot- instructor Vladimir Nikitin, proceeding from his own vast flying experience, suggests that the airbus got caught in a large "funnel-shaped air stream" which was brought about by ascending and descending air flows.

According to Nikitin, under the circumstances any aircraft will inevitably nose down along the tangent to the tail wind, tilt sideways towards the centre of the "funnel" and enter a spin.

ITAR-TASS Carries Press Review for 11 Oct

LD1110084294 Moscow ITAR-TASS in English 0629 GMT 11 Oct 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow October 11 ITAR-TASS—ROSSIYSKAYA GAZETA carries the text of the appeal of the Russia Federal Assembly's upper house, the Federation Council to the Chechen people. "Russia is living through a difficult period. But Chechnya has become our motherland's most painful wound. Let us look together for a way out of this tragic situation," the appeal said.

Flashpoints of tension are also in the focus of KRASNAYA ZVEZDA (Red Star) army daily, which published an interview with the commander of the allied peacekeeping forces of the Commonwealth of Independent States, Colonel-General Valeriy Patrikeev. The general said "in the final account, nothing can be achieved by force here, in Tajikistan, nothing good would come of it. It is time to sit down at the negotiating table. The first step toward reconciliation has been made: a temporary ceasefire agreement has been signed in Tehran. We should continue in the same vein. Only not on a provisional but on a permanent basis. A clear-cut programme of disarmament of various groupings should be worked out, especially since there are armed groups which are not controlled either by the government or by the opposition. But first of all, the border must be sealed reliably and any penetration of arms and ammunition from the other side be barred. In short, it is time to act more intensively but sensibly."

According to ROSSIYSKAYA GAZETA's observer Leonid Sergeyev, the demarche of the Liberal Democratic Party group in the State Duma, who took out time for a longer vacation, surprised not only their colleagues from other factions but also their voters. The short autumn session is scheduled to pass some 60 new laws, so the LDPR's move looks very much like political blackmail on the part of Vladimir Zhirinovskiy and his party associates. The nascent Russian democracy is lenient to its "prodigal sons": it has let them pose as political protesters and engage in fist-fighting, insulting colleagues by using a near-gutter language, openly idling while continuing to enjoy all kinds of benefits and a good salary from the lean federal budget. What the parliamentarians are permitted to do no one else is. But why should be so?," the newspaper queries, addressing the question to the Duma leadership.

According to NEZAVISIMAYA GAZETA (Independent Newspaper), the leaders of the Communist Party of the Russian Federation and of "the Union in Defence of the Rights of the MMM Shareholders" agreed on monday to coordinate actions and forming joint headquarters to collect signatures in favour of holding referendum on early presidential elections, according to a source close to participants in the closed-doors consultations who spoke on condition of anonymity. According to the source, the consultations were conducted by first deputy chairman of the Communist Party's Central Executive Committee Valentin Kuptsov, member of the Presidium of the party's Executive Committee Aleksandr Shabanov and the chairman of the Moscow branch of the Union for the Defence of the Rights of the MMM Shareholders, Valentin Stolypin.

SOVETSKAYA ROSSIYA carries an interview with economist Bronislav Babayev about the progress of reforms in Russia. According to him, "our reformers appear to be missing the landowners' rights and estates with landless peasants as cheap labour, as well as the full rights to whatever they see fit - this is clearly what the Chernichenko-led protectors of the peasantry are striving for".

IZVESTIYA carries an article by State Duma deputy Boris Fedorov who writes: "The existing political and electoral system permits (forces) Russia to have a split parliament almost incapable of making decisions of principle. The Duma has effectively inherited many negative features of the former Supreme Soviet with its hierarchical structure, deputy manipulation with the help of material benefits, forms and methods of work".

RABOCHAYA TRIBUNA publishes a sizable item about the situation in the Russian coal industry under

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the title "the West's financial moguls sentence every other Russian coal miner to unemployment".

TRUD carried an interview with first deputy chairman of the Federation of Independent Trade Unions of the Russian Federation Aleksey Surikov about the all-Russia actions of protest against the government's economic policy scheduled for October 27.

According to Surikov, "we are motivated not by the desire to flex the muscles but by the desire to make the government take necessary measures to ease the social tension in the country and find a way out of the impasse. We do not need the struggle per se. We need specific steps and tangible results of the efforts to improve life for the working people"

PRAVDA carries an article by first secretary of the Russian Communist Workers Party Viktor Tyulkin about his party's strategy and tactics. According to Tyulkin, "in tackling the vital question of power for the working class it is impossible to ignore practical economic problems. Yes, communists are against private property, but not in the sense of "suppress and ban". We are categorically opposed to any misappropriation of national property disguised as privatisation".

Moscow newspapers today pay special attention to the situation in the Persian Gulf.

NEZAVISIMAYA GAZETA says "the Saddam Husayn regime seems to have decided to demonstrate its might and give Kuwait, as well as the entire international community, a scare. Baghdad explained the troops movement by holding exercises. But it went much farther than that by violating the U.N. resolution on the demilitarized zone. The danger of Iraq unleashing new hostilities is very high. Because by beginning to use the idiom of ultimatums - and Iraq did make political demarches over the weekend which were expressed in tough language in order to pressure the United Nations' Security Council - Saddam Husayn is running a risk of provoking a serious and possibly forcible rebuff on the part of the world community".

"One wants to believe that Baghdad is only bluffing and that Saddam Husayn is resorting to a very awkward means of pressuring the United Nations in order to secure the lifting of sanctions, but will not decide to invade Kuwait".

"In response to the massive build-up of the number of Iraqi armed forces in immediate proximity to Kuwait, the Pentagon announced that it was dispatching 36 thousand American troops to the Gulf zone," ROSSIYSKIYE VESTI said.

According to SOVETSKAYA ROSSIYA (Soviet Russia), "the U.N. observers in the demilitarized zone between Kuwait and Iraq declared on Monday that they could not say exactly how close the Iraqi troops had come up to the border with Kuwait. A spokesman for the U.N. observers noted that the observers had a limited possibility of watching the situation rising beyond the boundaries of the demilitarized zone.

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Foreign Ministry Statement Issued on Iraq

LD0810152094 Moscow ITAR-TASS World Service in Russian 1430 GMT 8 Oct 94

[By ITAR-TASS]

[FBIS Translated Text] Moscow, 8 Oct—The growth of tension in the Persian Gulf area should be stopped. The firm position taken by Moscow is reflected in the statement issued by the Russian Ministry of Foreign Affairs received by ITAR-TASS today.

The language of ultimatums addressed to the UN Security Council or any countries is not acceptable, the document says. It is necessary to do everything now to restore the normal atmosphere for the constructive work of the Security Council, which on 10 October was to adopt an important decision on the start of the long-term monitoring of Iraqi military programs. "Implementation of this decision could open the way for steps towards Iraq which would take account of its compliance with the substantial requirements set by the Security Council. We strongly insist on this,"—the statement stresses.

The document also notes that relevant statements have been sent by the Russian Government to the Iraqi leadership.

Further on Statement

LD0810155494 Moscow ITAR-TASS World Service in Russian 1507 GMT 8 Oct 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 8 Oct—Moscow's firm line, reflected in a Russian Federation Foreign Ministry statement received today by ITAR-TASS, is that the increase in tension in the Persian Gulf region should be stopped.

According to available information, the Iraqi authorities are redeploying some military units into the region bordering on Kuwait, the document says. At the same time, Baghdad has made political moves couched in tough language and clearly intended to pressure the UN Security Council into lifting the sanctions against Iraq. On the other hand, the U.S. administration has placed American troops stationed in the region on alert and is dispatching an American aircraft carrier to the Persian Gulf.

"Moscow is convinced that the development of events in this direction should be stopped," the statement of the Russian Foreign ministry says. "All the more so on the eve of the examination of the Iraqi question at the session of the Security Council on 10 October at which it is expected that the important decision to begin the long-term monitoring of Iraq's military programs will be made The implementation of this decision would open the way to steps with regard to Iraq which would take stock of its implementation of a range of the Security Council's essential demands. We firmly insist upon this."

It is now necessary to do everything to restore a normal atmosphere for the Security Council's constructive work, the statement by the Russian Foreign Ministry goes on to note. The language of ultimatums aimed at the Security Council or any country whatsoever is unacceptable. The Council will not lack the determination to continue efforts to ensure that the "Iraqi" resolutions are implemented, most importantly regarding the need for the recognition of the sovereignty and independence of Kuwait and its borders. The Russian party has sent an appropriate appeal to the Baghdad leadership.

No Moves Yet by Defense Ministry on Iraq

LD0810144894 Moscow ITAR-TASS World Service in Russian 1407 GMT 8 Oct 94

[FBIS Translated Text] Moscow, 8 Oct (ITAR-TASS)—The press center of the Russian Defense Ministry has no information as yet on any measures being taken by the ministry in connection with the growing tension on the Iraq-Kuwait border, the spokesman on duty at the press center said to an ITAR-TASS journalist over the telephone.

In Moscow in 1993 Russia and Kuwait signed a military cooperation treaty. In the same month the first joint Russia-Kuwait military exercises were held in the Persian Gulf. Russia has similar military cooperation agreements with the United States, Great Britain, and France.

After reports on the concentration of a number of Iraqi Army units in the Iraq-Kuwait border region, the United States and Great Britain began strenghtening their troops' presence in the Persian Gulf zone.

Clinton, Yeltsin Discuss Persian Gulf Situation

LD1010181894 Moscow ITAR-TASS World Service in Russian 1753 GMT 10 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 10 Oct—The Russian and U.S. Presidents discussed the situation in the Persian Gulf region in a telephone conversation today. The conversation took place at Bill Clinton's initiative.

The press office of the Russian head of state reported that Boris Yeltsin had stressed that "Russia is taking active diplomatic steps aimed at reducing tension in the region of the border between Iraq and Kuwait." Boris Yeltsin noted that political means for regulating the situation were far from exhausted, and expressed the hope that Russia's diplomatic efforts will be supported by the USA.

Bill Clinton gave assurances that the measures taken by the USA in the Persian Gulf region were only intended as a possible defense from aggression against Kuwait.

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Yeltsin Sends Diplomats to Iraq, Kuwait

LD1110141194 Moscow ITAR-TASS World Service in Russian 1341 GMT 11 Oct 94

[By ITAR-TASS diplomatic correspondent Vladimir Suprun]

[FBIS Translated Text] Moscow, 11 Oct—Russian First Deputy Foreign Minister Igor Ivanov and Viktor Posuvalyk, director of the Russian Foreign Ministry Near East Department, are leaving today for Iraq and then Kuwait on the instructions of Russian President Boris Yeltsin. Grigoriy Karasin, director of the Russian Foreign Ministry Press and Information Department, announced this at a briefing here today.

The senior Russian diplomats' trip is taking place as part of the Russian leadership's active policy for preventing the situation in the Persian Gulf zone getting out of control and for seeking a political solution to the problems that have arisen there.

Our representatives, G. Karasin stated, are taking with them "a completely specific" program approved by the Russian president. We regard the forthcoming contacts, he noted, as another opportunity to achieve progress not just with the aim of preventing another spiral in the use of force and violence in the Persian Gulf, but also to take the situation as a whole to a positive new level.

According to the official spokesman, it is necessary to persistently continue to seek for a political and nonconfrontational way out from the round of mutual accusations and mistrust which so far has impeded the implementation of the UN Security Council's decisions on a post-crisis settlement in the Persian Gulf zone.

The Russian Federation Foreign Ministry, G. Karasin stressed, is maintaining constant contacts with the U.S. government and with Kuwait and other countries involved.

Kozyrev Supports Peaceful Settlement of Iraq Issue

LD1010115794 Moscow ITAR-TASS World Service in Russian 1129 GMT 10 Oct 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 10 Oct—Russian Foreign Minister Andrey Kozyrev has expressed his support for a peaceful settlement of the situation in the area of the Iraqi-Kuwaiti border. Replying to correspondents' questions in Moscow today, he noted that appropriate contacts are being maintained on this subject with U.S. Secretary of State Warren Christopher and with the UN Security Council. "It seems to us that it is still possible to resolve this problem by diplomatic and political means," A. Kozyrev said.

At the end of last week the Russian Federation foreign policy department called on Iraq to stop moving its troops toward the border with Kuwait, and to withdraw them to their permanent bases.

Concentration of Iraqi Troops 'Counterproductive'

LD1010182194 Moscow INTERFAX in English 1706 GMT 10 Oct 94

[FBIS Transcribed Text] Chairman of the Russian State Duma Committee on International Affairs Vladimir Lukin (Yabloko faction) said he believed that the concentration of Iraqi troops on the border with Kuwait had put off settling the issue of lifting international sanctions against Iraq for an indefinite period of time.

Lukin said he believed that there would not be any invasion into Kuwait and Saddam Husayn had enough reason not to repeat the madness he had perpetrated earlier.

Lukin said the concentration of Iraqi troops was just a protest aimed at speeding up settlement of the issue of lifting sanctions which, however, had turned out to be counterproductive.

Lukin stressed that earlier many participants in the UN General Assembly had come to think that the sanctions against Iraq could be partially lifted, primarily in the sphere of renewing oil export. He said that after the situation on the border with Kuwait had emerged the opinion of the UN General Assembly is not likely to act in Iraq's favor.

Official Explains Position on Gulf Crisis

LD1010124394 Moscow ITAR-TASS World Service in Russian 1033 GMT 10 Oct 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[FBIS Translated Text] Moscow, 10 Oct—"Restraint, self-control, renunciation of troop movements of any kind, and cooperation with the United Nations, especially the UN's special commission on scrapping Iraq's weapons of mass destruction and missile facilities, headed by Rolf Ekeus, its executive director—these are our recommendations to Baghdad in the present complex situation." This was stated in a telephone interview with an ITAR-TASS correspondent by Viktor Posuvalyuk, director of the Near East and North Africa Department of the Russian Foreign Ministry. He was commenting on the sharp increase in tension between Iraq and Kuwait following the massive concentration of Iraqi forces close to the demilitarized zone on the border with the emirate.

In wide-ranging work with Iraqi officials, the high-ranking, Russian diplomat said, Moscow has done a great deal to get Baghdad to cooperate with the UN and to comply with the UN's "disarmament" resolutions. This has made it possible to speak of relaxing international sanctions against Iraq. Great efforts have also also

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made to get the Iraqi leadership to comply with resolution 833 on recognition of Kuwait's sovereignty, as well as the common border between Iraq and Kuwait, which was recently recharted by UN experts. These efforts also concern humanitarian problems like the repatriation of Kuwaiti POWs. All our actions are directed at making it possible to ease sanctions, provided these conditions are met. The aim is to encourage Baghdad to agree to further cooperation with the United Nations, leading to a complete lifting of the oil embargo. We feel it would be extremely silly to bring all this work to nothing.

It is very disheartening, Viktor Posuvalyuk stressed, to see that the present confrontation in the Persian Gulf zone has developed into a situation where both sides are applying pressure by making military preparations. The conflict must be channelled into the political sphere as soon as possible. For this to happen, however, Baghdad must resume its compliance with UN Security Council Resolution 833, and avoid any moves which exacerbate the crisis situation in the region.

Kuwait Embassy Urges Iraq To Fulfill UN Resolutions

LD1010224694 Moscow ITAR-TASS World Service in Russian 1846 GMT 10 Oct 94

[By ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 10 Oct—The only way to rid the Iraqi people of the problems connected with the regime of international sanctions, is for Baghdad to unconditionally fulfill all of the UN Security Council's resolutions. This was said in a statement that ITAR-TASS received today from the Kuwaiti embassy in Moscow.

The document notes that "Iraq is playing the role of victim of the economic blockade," but this economic blockade was the result of the aggressive policies of Iraq itself in the region and its invasion of Kuwait in August 1990. Baghdad does not have the right to place the responsibility for the burden caused by the sanctions on the UN Security Council or other subjects of international law. The Kuwaiti embassy considers that the concentration of military forces along the Iraqi-Kuwaiti border is aimed at putting pressure on the UN Security Council and Kuwait. "No country in the world accepts the language of ultimatum," the statement by the diplomatic mission stresses.

The Kuwaiti embassy contacted and consulted a number of people in authority in Moscow. It is confident that "the Russian Federation, as a superpower and permanent member of the UN Security Council, will use the international responsibility that it has and do all it can to support security and stability in the Persian Gulf region."

Kuwaiti Ambassador Praises Russian Stance on Iraq

LD0810100694 Moscow ITAR-TASS World Service in Russian 1202 GMT 8 Oct 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[FBIS Transcribed Text] Moscow, 7 Oct—"The leadership and the people of Kuwait commend Russia's position over the problem of the sanctions imposed by the world community on Iraq for the unprovoked aggression against my country in 1990," Fawzi 'Abd al-'Aziz al-Jasim, Kuwait's ambassador in Moscow, declared in an interview today with an ITAR-TASS correspondent. "While favoring the introduction of a six-month monitoring period for Baghdad, during which its full compliance with UN conditions would be confirmed, Russian diplomacy does, at the same time, insist that Iraq must necessarily meet what at the moment are the three main demands of the UN Security Council and Kuwait. They include Baghdad's recognition of Kuwait's sovereignty and of the Kuwait-Iraq border, which recently was freshly demarcated by UN experts, as well as the resolution of what is for us the emotive issue of Iraq's handing back of Kuwaiti prisoners."

As is known, it was confirmed in Baghdad the other day that Iraq regards its compliance with the UN Security Council's so-called "disarmament resolutions," which aim to trim Baghdad's war machine by eliminating weapons of mass destruction and missile equipment, as sufficient reason to introduce a six-month probation period with subsequent lifting or easing of the oil embargo. Apart from that, the monitoring system has been tested—the electronic observation, under UN auspices, of the state of Iraq's military potential—a system which, according to Rolf Ekeus, executive chairman of a UN special commission, could be activated in a matter of days.

Citing UN Security Council resolutions, Fawzi 'Abd al-'Aziz al- Jasim stressed, in this connection, that no easing of the sanctions could be contemplated unless Baghdad complies unreservedly with the world community's remaining demands. This is Russia's position too, and Russian officials have repeatedly confirmed it to our representatives who have visited Moscow in recent times, he said.

The ambassador provided explanations of several reports, including in the Russian media, alleging that Kuwait is trying to organize a "conspiracy of silence" against Iraq, and, specifically, that it is turning a completely deaf ear to Baghdad's calls to send a parliamentary delegation to Iraq to look into the Kuwaiti POW situation on the spot. We take the view, he said, that the matter should be tackled at international level rather than within the framework of bilateral relations. In Geneva, under the auspices of the International Committee of the Red Cross, a six-member commission is at

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work on the Kuwaiti POW problem, comprising representatives from Saudi Arabia, the United States, Britain, France, Kuwait, and Iraq. Our country has cooperated fully with it for more than three years now, while Iraq totally ignored the commission's work until recently. It is the commission that is empowered to resolve the issue. There is no need for any other bodies. As the victim of unprovoked aggression by the Baghdad regime, we refuse to have any contact with it, especially since the Iraqi leadership has no wish to recognize either Kuwait as a sovereign state or the internationally recognized joint border, and refuses to send our fellow citizens home, Fawzi 'Abd al-'Aziz al-Jasim said in conclusion.

Diplomat on 'Serious' Aggravation of Gulf Situation

LD1010172694 Moscow INTERFAX in English 1619 GMT 10 Oct 94

[From the "Diplomatic Panorama" feature: reports by Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] "You should not jump to conclusions and link the visit by Iraqi Oil Minister Safa' Hadi Jawad to Moscow with Iraq's recent actions which seriously aggravated the situation in the Persian Gulf," a high-ranking Russian diplomat told Interfax Monday.

The diplomat said the Iraqi minister's visit had been planned a long time ago. "It is a pure coincidence that it occurred during an aggravation of the situation in the Persian Gulf," he pointed out.

"Permanent contacts are maintained between Moscow and Baghdad to work out agreements for the time when the international sanctions against Iraq are lifted. In particular, they focus on specific plans for cooperation, including in such a traditional area as oil production," he said. "Such contacts do not mean Russia's intention to anyhow breach the international sanctions against Baghdad," he added.

The diplomat said Moscow had made "a clear statement" to the Iraqi leadership following its plans to conduct military exercises near the border with Kuwait. "The situation in and around the region is so tense that even given the most sincere absence of aggressive intentions such exercises cannot be viewed otherwise but a kind of hint. However, on the other hand we believe that the rumors that another conflict in the Persian Gulf are strongly exaggerated," he said.

The diplomat admitted that the situation was "rather serious." "The main thing now is to prevent possible misunderstandings and try to leave this episode in the past as soon as possible. It is too early to say that Baghdad refuses to cooperate with the U.N. special commission for the Iraq disarmament. This issue is still unclear," he pointed out.

The Russian diplomat made a special emphasis on the fact that "Russia was against heating passions. It is necessary to gain an understanding of what is going on and look for ways to break the deadlock. This issue cannot be solved by muscle-flexing," he added.

The diplomat declined to comment on Washington's "tough reaction" to Baghdad's recent actions. However, he made clear that Baghdad's recent steps were "a kind of allergic reaction to Washington's constant psychological pressing." "The Americans had insisted that Iraq could not be trusted and the sanctions could not be lifted, for whatever it did. And here you have the results...," he concluded.

Iraq 'Bluffing' With Troop Buildup

LD1010164194 Moscow ITAR-TASS in English 1556 GMT 10 Oct 94

[By ITAR-TASS diplomatic observer Igor Tyssovskiy]

[FBIS Transcribed Text] Moscow October 10 TASS—Reports about the massing of Iraqi troops near the Kuwaiti border arrived last Friday. The troop concentration continued throughout the weekend. According to various sources, on Sunday evening, four motorised divisions, including elite units of Iraqi Guards, were concentrated on the approaches to the demilitarised zone, some units at a distance on merely 12 kilometres from the Kuwaiti border. The group totals from 64 to 83 thousand men with 700 tanks.

A tent city of stateless Arabs sprang up between the Kuwaiti-Iraqi border and the gathering force of Iraqi troops. They are thousands of Bedouin families protesting against their expulsion from Kuwait after the war in the Persian Gulf in 1991. Their total number may reach 20 thousand.

Kuwait rushed three quarters of its 20-thousand-strong army to the zone along the demilitarised belt. The sides are divided by a mere 15 kilometre width of desert and a protective ditch built by Kuwaitis along the border. The United States sent to Kuwait 4,000 marines and intends to beef up the force to 54 thousand. The U.S. aircraft carrier George Washington is sailing to the Persian Gulf. Combat aviation has been alerted. U.S. defence secretary said this is a formidable force. Washington's allies, Britain and France, contributed to forces' concentration.

The situation has some similarities with the time preceding the Gulf war of 1991, but there are considerable distinctions. Saddam Husayn now has an even larger force, an army of approximately 350 thousand. However, it is not as well armed as four years ago when defenceless Kuwait was attacked.

Almost all observers believe that there will be no invasion of Kuwait this time. Reports of the Western media from the region and statements of U.S. officials betray the striving to whip up tension. Reports from the

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Kuwaiti border bespeak of a calm attitude, although there is some concern with the situation.

Apparently the Iraqi regime is bluffing again. Its hopes for an early lifting of the sanctions imposed by the world community on the aggressor have not come true. The Iraqi move has a clearly provocative character. It was made on the eve of a report to the United Nations Security Council meeting by Executive Chairman of the U.N. Special Commission Rolf Ekeus. He was to report to the Security Council about how Baghdad complies with the U.N. resolutions calling for disarmament. There is information that his report was going to be favourable for Iraq.

It is believed in Baghdad this would be enough for lifting of the oil embargo. In the opinion of the world community, Iraq should also recognise the sovereignty of Kuwait, the common border between Iraq and Kuwait and should return Kuwaiti prisoners-of-war. This would mean for Saddam Husayn the loss of face in view of his claims to Kuwait as Iraq's 19th province.

Baghdad demands a six-month deadline that would confirm its compliance with the United Nations demands for disarmament, after which the sanctions would be lifted. Among the permanent members of the Security Council, the United States and Britain oppose the fixing of the deadline and the lifting of the embargo in near future, while Russia, France and China have on the whole a favourable attitude to this prospect. In view of the situation the report by Rolf Ekeus has been put off. Observers believe Iraq's ill-considered move reduced to nought the chances of Baghdad to achieve its aims.

High-ranking Russian diplomats said many times that Iraq should not be driven into a corner, which may lead to destabilisation in the region and in the entire Middle East. Saddam Husayn's move confirms this thesis, but its consequences will be extremely negative, above all for the Iraqi people which really suffers from the United Nations sanctions.

Baghdad's threats to refuse from cooperation with Rolf Ekeus and even to expell U.N. observers from Iraq jeopardise the situation further. It is believed in the Russian Foreign Ministry there have been of late certain positive changes in the world public opinion and in the United Nations which could lead to a gradual easing of sanctions. A realistic programme of measures toward lifting the embargo, although without a definite time-frame, was taking shape. There has been a roll-back now.

Iraq stated it has a sovereign right to troop movement within its territory. This is true enough, but a provocative nature of these unjustifiable manoeuvres could not but cause reply measures. Baghdad also states that it is not going to attack Kuwait. With Saddam Husayn's record being what it is, nobody is going to take assurances of Iraqi officials at their face value. His demarche will prompt the United States and its allies to spend many tens of millions of dollars to ensure Kuwait's protection. If the Iraqi leader tries to test the strength of the United States and its allies by maintaining tension on the Kuwaiti border for long, there is no doubt that there may be dramatic, if not to say tragic, events in the very heart of the world's "oil treasury".

Moscow Fears U.S. May 'Get Carried Away' in Iraq

MM1010154194 Moscow IZVESTIYA in Russian 11 Oct 94 pp 1, 3

[Report by Maksim Yusin: "Moscow Calls for Removal of Iraqi Troops from Kuwaiti Border and Believes that U.S. Response to Baghdad's Actions Is Appropriate"]

[FBIS Translated Text] "We would like to think that this is a bluff, that Saddam Husayn is using a very clumsy means of pressuring the United Nations in order to get sanctions lifted, but is not planning to invade Kuwait," a high-ranking Russian diplomat who wished to remain anonymous said, preferring not to dramatize the situation on the Iraq-Kuwait border.

The international crisis that blew up after Baghdad started moving troops up to the border has not bypassed Moscow. A few hours after the first alarming reports from Kuwait, the Russian foreign policy department issued a statement demanding that Saddam Husayn withdraw his troops.

Russia's charge d'affaires in Baghdad has twice met with representatives of the Iraqi leadership. According to reports from informed sources, the Foreign Ministry is preparing to apply new measures to pressure the Husayn regime. Just what these are has not yet been clarified. Russian Ambassador Nikolay Kartuzov has flown out urgently to Baghdad, having just been appointed to the post.

Smolensk Square analysts are inclined to the view that, by provoking a crisis, Saddam Husayn has made an unforgivable mistake. No better gift for the Americans could be imagined. The UN Security Council is embarking on the examination of the issue of Iraq's compliance with the international community's demands. After what has happened in the past few days, Baghdad has no hope of getting sanctions eased. And, although until recently it could not be ruled out that such a proposal would meet with Moscow's support, Husayn's provocative actions have removed any desire on the part of the Russians to be advocates for him.

The high-ranking diplomat whom we have already quoted believes that the U.S. reaction has thus far been appropriate: "The Americans have given Saddam a clear signal that an invasion of Kuwait will be decisively stopped." At the same time, there is a fear in Moscow that the United States could get carried away with its fight against the Baghdad regime and could easily get drawn into a military confrontation. Russian diplomats in Washington, talking with U.S. officials over the weekend, called for restraint from the United States.

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An armed conflict between the Iraqis and the Western allies would be the worst-case scenario as far as Moscow is concerned. Despite Russia's mediation efforts, this scenario cannot be ruled out, IZVESTIYA's Smolensk Square contacts admit. According to one of them, "in 1990, when the Iraqi Army was moving toward the Kuwaiti border, most specialists also thought there would be no aggression—and they were wrong. We have to be ready for any development. You get the impression that Saddam Husayn is losing his composure. The situation inside Iraq is extremely hard—the population is starving. It might seem to the Baghdad leaders that a military confrontation with the United States would allow them to ease the social tension. If Saddam comes to this conclusion, he will be committing political suicide."

Could there be a repetition of the situation of four years ago, when Iraqi troops initially had an overwhelming advantage and captured Kuwait easily? Foreign Ministry experts respond unambiguously in the negative—militarily Saddam has no chance. Should the Iraqis launch an offensive, their strike groupings would be immediately destroyed by air and missile strikes by the Western allies.

Iraq's 'Provocative Policy' Blamed for Crisis

LD1010142094 Moscow Radio Moscow World Service in English 1210 GMT 10 Oct 94

[Commentary by Yuriy Solton—read by announcer]

[FBIS Translated Excerpt] In this commentary Yuriy Solton examines the crisis situation in the Persian Gulf. [passage omitted]

It appeared that the situation became more stable on Sunday, but the war of nerves continues and it is difficult to say what the further developments might be. As is generally known, Saddam Husayn is unpredictable, but one thing is clear: a new aggression against Kuwait, or even an attempt, would be suicidal for the Baghdad regime. Baghdad should not pin hopes on the split in the anti-Iraqi coalition, which to this day has formally been in a state of war with Iraq, and on the United Nations' indecisiveness.

Not at all justifying Iraq's provocative actions, I'd like to (?know) that as regards the sanctions the stand taken by the United States and Great Britain at the United Nations Security Council is unrightfully tough [sentence as heard]. In fact, Iraq has fulfilled all the United Nations' demands on the liquidation of its mass annihilation weapons. Therefore, Russia, France, and China found it possible that the U.N. Security Council should consider the question dealing with the gradual easing of sanctions against Iraq. This proposal was rejected more than once and this in its turn could only give Iraq an impetus to challenge the world community.

Russia has warned the Iraqi leadership that the ultimatum should never be used to urge either the United Nations or any other country to make a decision in order to solve this or that problem. The Russian Embassy in Baghdad has called on the Iraqi leaders to withdraw troops from the border with Kuwait and declare that Iraq has no intention to attack Kuwait. The Iraqi foreign minister has assured the Russian representative that Baghdad is not seeking to pursue expansionist policy. It demonstrated its willingness to settle the crisis through diplomatic means. Nothing else is left but to wait and see what practical measures the Baghdad leadership will take in this direction. It is the provocative policy of the Baghdad leadership that has caused the current crisis in the Persian Gulf and, in the first place, it will depend on the Baghdad leadership how and when this crisis will be settled.

Iraq Crisis 'Too Convenient' for Clinton

MM1110080194 Moscow KRASNAYA ZVEZDA in Russian 11 Oct 94 p 3

[Report by Aleksandr Golts: "'Desert Storm 2'?"]

[FBIS Translated Text] Events in the Persian Gulf seem to be starting to develop to the scenario that was tried out in 1991. Saddam Husayn has moved several of his most combat-capable combined units—divisions of the Republican Guard—up to the Kuwaiti border. Given that Baghdad propaganda still calls the neighboring country an Iraqi province, such actions cannot fail to put people on their guard.

The atmosphere in Kuwait is reported to be calm on the whole. There is no panic nor any military preparations. But Washington has reacted more than decisively to Iraq's actions. President Clinton has ordered units of the 1st Marine Expeditionary Corps and the 24th Mechanized Division to reinforce the forces already present in the Gulf. Moreover, around 50 warplanes—A-10 ground attack aircraft and F-16 fighter-bombers—are being sent to the region. In all we are talking about the transfer of 36,000 servicemen and a considerable quantity of materiel. Thus President Clinton intends to "send Husayn a clear signal that an invasion of Kuwait will result in decisive U.S. action." It seems as though the United States is ready to conduct "Desert Storm" Mark Two.

We can only speculate as to what has actually prompted Husayn to take such openly provocative action. But we cannot fail to draw attention to the fact that it follows the UN Security Council's failure to agree to the lifting of the anti-Iraq sanctions imposed more than four years ago. Here too the question arises of how correctly the world powers are behaving toward Iraq. Clinton is now stating that, by beginning an immediate troop deployment, he wishes to avoid any repetition of the mistakes of 1990, when the U.S. Government sent Husayn indeterminate and vague signals that produced the illusion that any aggression would be allowed to go unpunished.

But maybe the refusal to ease sanctions was itself a kind of false signal to a regime of the Baghdad type. It is no

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secret that, however grudgingly, Iraq has nonetheless complied with the UN demands to dismantle its armaments under international controls. This is recorded in corresponding documents submitted to the Security Council. Since this was the case, there was an opportunity to apply not only the "stick" of sanctions but also the "carrot" of their gradual abolition. This was not done. Whether deliberately or not, the West created the impression that the aim of the sanctions was by no means merely to resolve certain security problems but to eliminate the Husayn regime. The idea was that, having lost its ability to trade in oil, Iraq would be unable to feed its citizens—which would cause them to protest. That is how Baghdad is interpreting the situation. As a result Husayn threw into the ring the only thing left to him—the threat of a further use of force. And his official statements make no secret of the fact that the main aim of the military demonstrations is to get sanctions lifted.

There is one other point which cannot fail to worry us. This entire episode is just too convenient for President Clinton. The Congressional elections are just around the corner, and the voters' view of the Democrats is such that their eternal rivals, the Republicans, are counting on a major victory. If the Haiti landing boosted Clinton's stock, it was not by much. The ousting of Husayn and, therefore, the successful completion of what Bush left half-done could, of course, whip up a jingoistic fervor in the electorate.

But might not the world have to pay too high a price for Washington's latest attempt to play the part of world messiah, "carving up" other states in line with its own views? It is time to come to terms with the fact that for quite a long time yet we will have to coexist with states which have different ideas of morality, rights, and, finally, their own makeup. The only thing that the world community should strive to ensure is that these countries pose no threat and are gradually integrated into the rest of the world. Marines and ground-attack aircraft are not the most successful way to do this.

Iraqi Move Seen as Sanctions 'Cry for Help'

MM1110082194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 11 Oct 94 pp 1, 3

[Report by Aleksandr Vasilyev followed by report by Sergey Ivanov under the general heading: "Iraq-Kuwait: Saddam Is Playing With a 'Storm'"]

[FBIS Translated Text] In order to understand why Saddam Husayn has moved his troops up to the border with Kuwait we will try to look at the situation through his eyes.

For quite a long time now Iraq has obeyed all the demands of the international community, which defeated Baghdad in the 1990-1991 military campaign. The UN-imposed sanctions are being thoroughly fulfilled. Meanwhile the economic embargo on trade with Iraq is destroying the once-prosperous country far more effectively than U.S. cruise missiles and "smart" bombs. Soaring inflation and lack of food and medicine are taking their toll primarily on the Iraqi people and not on those who exposed them to attack by the multinational anti-Iraq coalition. Nevertheless the talk at the United Nations and in Washington of the possible lifting of sanctions is being conducted in a rather sluggish and leisurely way. The powerful lobby of Gulf Arab states—Saudi Arabia, Kuwait, Bahrain, etc.—is at work with sizeable financial resources at its disposal, and they certainly have no interest in their neighbor's economic, political, and military revival. First, because Baghdad is an unnecessary competitor on the world oil market and, second, because they are simply afraid of it.

Saddam Husayn, however, feels that he is losing power: His people are ceasing to love their dictator. Iraq has a fine tradition of fierce domestic political struggle that goes back years. Saddam came to power by blood and he uses the same means to eliminate any attempt to depose him from the presidential throne, mercilessly destroying his enemies almost before they can raise their heads and those suspected of having connections with them. However, things cannot go on like that for long. Being a subtle and wily politician, Iraq's leader sees that the level of discontent among his sick and hungry subjects is too high for him to count on their support under any alignment of domestic political forces. Saddam now needs bread, kerosene, and aspirin as much as any Ahmad, Said, or Mahmud.

The Iraqi tanks' move southward is kind of cry for help on Saddam Husayn's part. The Baghdad dictator cannot simply demean himself before the "infidels," who, what is more, bombed the country three and a half years ago. Iraq's leader expects the international community to come up with the kind of analysis of the situation that you are reading now. And any other analysis is hardly possible.

Moving troops up to the border with Kuwait does not constitute a breach of the UN-established rules: There are only restrictions on flights by military aircraft and helicopters. Only someone who considers Saddam a complete idiot could regard the maneuvers as a threat. And Saddam knows that serious people do not take him for that. The current situation cannot be compared with the situation four years ago when Iraq attacked Kuwait. During the summer of 1990 the Iraqi leader had reason to think that the Americans would not fight for Kuwait, that Moscow would not back Washington, and that the Arab world would be split over the issue of its attitude to Iraq's aggression. Saddam largely miscalculated, but he was right in some respects. Today everything is different: The Americans are already moving their troops to Kuwait, Moscow's position is absolutely predictable, and the PLO and Jordan, involved as they are in the Near East peace process, would hardly repeat their mistake of four years ago. Moreover the Iraqi Army is not as strong and the Kuwaiti Army is not as weak since the policy to "Kuwaitize" the country (reliance on national cadres) has borne fruit.

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What will happen next? U.S. troops did not take Baghdad the last time because Washington had decided to leave Saddam Husayn in power: Only he could keep the country at heel and prevent it from breaking up into several warring parts, which would have entailed the emergence of a new seat of tension. I believe that the U.S. Administration will reach the same decision today. In the near future, therefore, we should expect a prominent American to be sent to Baghdad on a peacekeeping mission (this could once again be former U.S. President Jimmy Carter or Black leader Jesse Jackson, who visited Saddam four years ago), discussion on lifting sanctions to be revived, and an increase in anti-Iraqi lobbying by the Gulf states. Moscow will obviously try to hold its own position, which will take the form of a timid request for the lifting of sanctions to be speeded up: That suits us, since Iraq was once and could be again a reliable trading partner for us if it is allowed to sell more oil. [Vasilyev ends]

The View from New York

New York—It all began with the Tariq 'Aziz speech at the UN General Assembly. It was easy to see that what the Iraqi deputy premier said would be anti-American. However, 'Aziz structured virtually his entire speech in such a way as to make Iraq look like the victim of U.S. aggression. The United States is to blame for the lack of pencils, exercise books, and medicines for individually imposing sanctions on Iraq which were then backed by the world community.

Addressing the UN Security Council, U.S. permanent representative Madeleine Allbright was patently indignant at 'Aziz' speech. She said that, should Iraq continue to prepare for war, the United States was ready to deploy 60,000 servicemen and a thousand tanks overnight. The United States currently has 12,000 servicemen in the Persian Gulf and two support ships capable of launching missiles against an enemy. In addition, there are around 80 U.S. aircraft based in Saudi Arabia.

Why all these verbal preparations for war, and why the alleged Iraqi troop maneuvers in the direction of Kuwait's southern borders? Hearings resume Monday at the UN Security Council over the lifting of sanctions against Iraq. Tariq 'Aziz very aptly made his speech "humanitarian" by focusing on the sufferings of Iraqi children who cannot go to school because of the embargo. In his view the United States is falsifying the facts in order to preserve the blockade on Iraq.

By way of a counterargument the U.S. UN representative presented the Security Council with at least five photographs taken from space. They show an Iraqi division's T-72 tanks during a hypothetical attack on the Kuwaiti border. 'Aziz did not have much luck. He has few supporters on the Security Council and can hardly count on world support.

Despite the Iraqi deputy leader's performance the question of lifting the sanctions, which primarily means sanctions on Iraqi oil, has not yet become one of vital importance for the world community.

Feasibility of Arms Sales to Iraq Dismissed

MM1010103194 Moscow IZVESTIYA in Russian 8 Oct 94 First Edition p 3

[Report by Elmar Guseynov: "Iraq Simply Does Not Have the Billions Which Arms Dealers Promise the Russian People"]

[FBIS Translated Text] "Sergey Nikolayevich will not give you an interview," was the reply your IZVESTIYA correspondent received at the apparatus of Sergey Oslikovskiy, deputy general director of the "Rosvooruzheniye" concern. The official who recently promised to increase our arms exports to $15 billion if arms deliveries to Iraq and Libya were resumed refused to substantiate his optimistic statement.

Actually, we can try to do that without Mr. Oslikovskiy's help. According to information which he announced at a press conference in late September "Rosvooruzheniye" is planning to increase the sale of Russian arms abroad from $2.5 billion in 1993 to $3.4 billion in 1994 and $5-6 billion in 1995.

Before the Gulf War Iraq exported about 2.4 million barrels of oil a day. At today's precise that would enable Baghdad—if the economic sanctions were lifted—to obtain about $11 billion a year. But one third of that some will go to compensate for the loss caused by the Iraqi invasion of Kuwait.

Even in the best years Iraq bought Soviet arms worth $1.5-2 billion a year. To fulfill Mr. Oslikovskiy's promise and bring Russian arms exports up to $15 billion a year, after the lifting of sanctions Baghdad must increase its former already enormous level of arms purchases at least 150 percent—to $5 billion a year. The lion's share of the $8 billion which the Iraqis will have left to restore their destroyed economy would go on that, which is of itself unrealistic.

In addition let us not forget that Iraq will have to find the means to pay back its old debts to Russia. And they total $7 billion.

One can understand Sergey Oslikovskiy's logic: He was obviously simply trying to emphasize the potential and prospects of his departments, which with tremendous difficulty and very slowly is restoring our positions on the world arms market. But the result has essentially been a call to restore wide-scale economic relations with Saddam Husayn's regime.

This idea is being pushed through not only by the leaders of the military industry but also by high-ranking figures of the Russian Foreign Ministry. Today diplomats are frankly saying that the resumption of arms exports to Iraq is entirely permissible. Here our diplomats seem to

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forget that essentially they are suggesting selling arms not to Iraq but to the criminal regime ruling in that country.

In part the position of the officials of the Russian military-industrial complex and Foreign Ministry has a rational explanation. They obviously rightly fear that if Saddam Husayn falls the new authorities in Baghdad will need neither Russian arms nor Russian technical aid.

But the main thing in this problem is nonetheless not the cold economic arithmetic. We should remember that the readiness of unscrupulous officials to supply weapons to the Baghdad dictator has cost the lives of thousands of people, primarily the Iraqis who died as a result of Saddam Husayn's terror and military adventures.

Iraqi Oil Minister Arrives for 'Working Visit'

LD1010152294 Moscow ITAR-TASS World Service in Russian 1414 GMT 10 Oct 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[FBIS Translated Text] Moscow, 10 Oct—Iraqi Oil Minister Safa' Hadi Jawad has arrived in Moscow where he will be holding a series of talks with Russian officials.

The Russian Foreign Ministry Middle East and North Africa department confirmed that the Iraqi minister had arrived for a scheduled "working" visit. This is taking place as a follow-up to the sitting of the joint Russian-Iraqi commission on trade and economic and scientific and technical cooperation in early September. This focussed on developing relations in the given sphere between the two countries after the international sanctions imposed on Iraq in 1990 following the aggression against Kuwait. At the sitting issues relating to cooperation in the sphere of oil extraction, including geological surveying and processing and so forth, were raised.

The Iraqi minister's visit, the department spokesman continued, is linked with the need to more precisely define the prospects for cooperation in this sphere. Although the discussion of the situation in the Persian Gulf zone will, of course, be of a provisional nature, a whole series of fundamental issues can be worked out right away in the hope of the present conflict between Iraq and Kuwait being settled. He did not rule out that during his visit Jawad would meet Oleg Davydov, Russian foreign economic relations minister and Yuriy Shafranik, Russian minister for fuel and energy, and other officials.

Moscow Not To 'Thoughtlessly' Supply Arms to Syria

LD0810163794 Moscow INTERFAX in English 1316 GMT 8 Oct 94

[FBIS Transcribed Text] Russia is not going to "thoughtlessly" supply arms to Syrian markets. "That's not the case and has never been," Russia's new ambassador to Damascus Victor Gogitidze has declared in an interview with Interfax.

He specifically noted that military and technical cooperation between Russia and Syria did no harm to a third country, nor did it upset the balance in the Middle East. "No one in Israel or elsewhere should doubt that Russia, as a co-sponsor of the world process, is interested above all in advancing it and in achieving peace accords."

"Under no circumstance shall we pursue a line toward undermining it by arms supplies or otherwise. Russia does not seek to "dump" its arms on anyone. We realize that this sphere is very delicate and that military shipments should have certain limits."

Moscow Concerned Over Murder of Bosnian Serbs

LD0710190494 Moscow INTERFAX in English 1702 GMT 7 Oct 94

[FBIS Transcribed Text] Moscow received with "deep regret and concern" the report about the mass murder of Bosnian Serbs near Sarajevo, Russian Foreign Ministry's spokesman, Grigoriy Karasin, told Interfax on Friday.

He said that the "difficulties concerning the adoption of the peace plan in the region should in no way be used for the inhuman actions by the other conflicting side". "The degree of cruelty has long ago surpassed the admissible," said Karasin. "The information about the mass murder of Bosnian Serbs is another confirmation of the need for urgent and balanced actions for a peace settlement in Bosnia."

Moscow Seeks UN Condemnation of Attack on Serbs

LD1010165894 Moscow INTERFAX in English 1447 GMT 10 Oct 94

[FBIS Transcribed Text] Russia intends to press the UN Security Council to condemn the Bosnian Muslims for having "brutally killed" 20 Bosnian Serbs outside Sarajevo recently, a senior member of the Russian Foreign Ministry told Interfax.

According to him, Moscow will insist that the Muslims' provocational actions be condemned in a statement by the Security Council chairman. "The Bosnian Serbs failed to accept the peace plan for a settlement worked out by the Contact Group. However this poses no reason for the Muslims and Croats, who accepted the plan, to engage in atrocities with impunity," he said.

"The unlawful actions of the Muslims cannot fail to cast doubt on the sincerity of their desire to achieve peace in Bosnia," the diplomat pointed out.

Soskovets Believes Sanctions Against Serbia Unjustified

LD1010165994 Moscow INTERFAX in English 1447 GMT 10 Oct 94

[FBIS Transcribed Text] First Deputy Russian Prime Minister Oleg Soskovets believes that the remaining

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sanctions against Serbia are unjustifiably strict. Meeting in Moscow on Monday with the head of the Serbian Orthodox Church, Patriarch Pavel, he said that Russia is conducting consultations at the United Nations on easing sanctions against the Serbs to "help the common people who soon face the winter season."

"The Russians and the Serbs are brothers and we have a single confession and a single aim in this world," said Soskovets. He said that Russia understands the need to render help in settlement of the conflict in former Yugoslavia.

Soskovets and Patriarch Pavel were unanimous in the opinion that the developments in the former Yugoslavia are being covered non-objectively in the world media. Soskovets admitted that during the recent visit by Russian President Yeltsin to the United States, Bill Clinton attempted to exert pressure on the Russian leader concerning the Serbian issue. However, Yeltsin "stood firm," said Soskovets. He said that Russia will not simply echo Western countries' policies.

Patriarch Pavel spoke in favor of sending to Serbia a Russian mission to be made up of observers and representatives of the mass media. Its aim would be to present to the world community objective information about the situation in the region. Soskovets agreed that a Russian mission should be sent to the Balkans.

The patriarch also believes that people should be aware that the Bosnian Serbs are ready to sign a peace agreement if they are given the right to self-determination, allowing the formation of a confederation between Bosnian Serbs and Serbia.

Aeroflot Flies to Belgrade Shortly After Blockade Lifted

MK0710122094 Moscow NEZAVISIMAYA GAZETA in Russian 7 Oct 94 p 1

[Report by Yuriy Meshkov in the "Details" column: "Aeroflot Has Turned Out To Be the First. Politics and Commerce Have Clashed on the Way to Belgrade"]

[FBIS Translated Text] Aeroflot Flight 161 on the Moscow-Belgrade route took off 5 October with a two-hour delay. This fact would be hardly noteworthy were it not for the enhanced interest in this particular flight—the first after more than two years of UN sanctions whereby the Belgrade airport has been closed to international flights.

As is known, the UN decision to lift some restrictions on air and ferry communications with the Union Republic of Yugoslavia entered into force at 0000 on 5 October. On the same day Aeroflot Flight 161 was scheduled to take off, which took less than a day to prepare. Therefore an air corridor to fly over the territory of Hungary, contrary to international norms, was requested less than three days before the flight. At first the Hungarian side, considering the extraordinary nature of the situation, gave the go-ahead. But then, shortly before departure from Sheremetyevo-2, word arrived that the Hungarians had canceled their decision. By this time, members of the Russian delegation going to Belgrade on the first flight had gathered in the VIP hall—including Vitaliy Churkin, the Russian Federation president's special envoy to former Yugoslavia; and Nikolay Lebedev, deputy chief of the civil aviation international commercial department. A fight for the right to fly to Belgrade began directly from the Sheremetyevo VIP hall.

Romania and Bulgaria were asked for an air corridor. But a polite reminder was given in both instances that under international rules, this must be done not an hour before the flight but a little earlier. It was only contacts through diplomatic and government channels between Russia and Hungary that allowed the plane to get into the air and, breaking through the blockade of the Union Republic of Yugoslavia, land at Surcin airport on 5 October.

"In all likelihood, this conduct by the Hungarian side can be attributed only to commercial interests," commented Vladimir Ivanovskiy, deputy chief of the European Department's Yugoslav Section of the Russian Foreign Ministry.

The fact is that during the period when sanctions were in force, Yugoslav citizens setting out on a long air journey had to use Budapest or Bucharest airports. Naturally, with the opening of the international airport in Belgrade, the Yugoslav traffic going via the capitals of the contiguous states is superfluous. Be that as it may, Belgrade has again resumed international passenger transit. And even though the first flight to Belgrade has brought a mere 29 passengers, Yuriy Yurkin, Aeroflot's general representative in Belgrade, is convinced that the next flight to Moscow, set for 9 October, will be fully booked.

Russian, Serbian Patriarchs Sign Communique on Bosnia

LD1010210294 Moscow INTERFAX in English 1922 GMT 10 Oct 94

[FBIS Transcribed Text] Patriarch of Serbia Pavel and Patriarch of Moscow Aleksey II are unanimous that an end must be put to the armed conflict in Bosnia immediately and peace talks must be held between all warring sides. The two primates signed a joint communique in Moscow Monday, a spokesman for Patriarch Pavel, Bishop of Bach Iriney, told a news conference in the St.Daniel's Monastery.

In an answer to an Interfax question, the priest pointed out that Russia ought to play the part not only of a peace mediator in the Balkans, but also a kind of defender of the Serbs. "As the German defend the Croatians and the Americans the Moslems, so the Russians must defend the Serbs," he stressed.

The bishop said that the Serb Orthodox Church was against any international economic sanctions against any

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nationality or country. Commenting on the recognition of the former Yugoslavia's borders, Father Iriney pointed out that those borders reflected only "the administrative will of Tito's partizans," and failed to reflect the language, geographical, historical, cultural and ethnic division of Yugoslavia's republics. In addition, those borders were not ratified by any kind of representative power.

According to the bishop, the Serbs ought to make territorial concessions to the Moslems, while the Moslems must not insist on preserving a unitary Bosnia.

Serb Patriarch Says Bosnian Serbs Ready for Peace

LD1010132794 Moscow ITAR-TASS in English 1320 GMT 10 Oct 94

[By ITAR-TASS corrrespondent Oleg Velichko]

[FBIS Transcribed Text] Moscow October 10 TASS—Patriarch Pavel of Serbia announced here today that the Bosnian Serbs are ready to sign a peace accord "if they are given guarantees of the international community of their right to unify with Serbia".

The patriarch is in Russia for an official visit and meetings with the leaders of the Russian Government and Parliament.

During today's meeting with First Vice-Premier Oleg Soskovets, patriarch Pavel of Serbia said that "the myth about aggressive Serbs has been inflated artificially at the instigation of certain circles in the West".

"Our people is striving for one thing only—the rights analogues to those granted to the Bosnians," the patriarch said.

For his part, Oleg Soskovets said Russia's contribution to the settlement of the military conflict in Bosnia is "consistent and sincere," and described the remaining sanctions against the Bosnian Serbs as "hard and cruel".

According to him, Russia will continue to conduct consultations aimed at "easing the regime of sanctions".

Churkin Meets Montenegrin Leadership

LD0710180594 Moscow ITAR-TASS in English 1737 GMT 7 Oct 94

[By ITAR-TASS correspondent Ivan Ivanov]

[FBIS Transcribed Text] Belgrade October 7 TASS—Deputy Russian Foreign Minister Vitaliy Churkin, currently in Yugoslavia on a working visit, today met leaders of Montenegro.

"The heads of Yugoslavia, Serbia and Montenegro have shown they are fighting for peace in Bosnia and Herzegovina and throughout former Yugoslavia. Their policy have proved to be peaceful. All this must be known by the international public," Churkin told correspondents. He said that Bosnian settlement is a long and thorough process, and "one should not expect any magic decisions that will immediately result in peace".

Speaking of full cancellation of international sanctions against Yugoslavia, the Russian diplomat said the international community should think of new steps to react to the current policy of leadership of Yugoslavia, Serbia and Montenegro which, in the Russian opinion, is aiming at peaceful Bosnian settlement. "Russia will further work to continue the process of sanction lifting," stressed Churkin.

Upon the completion of his Thursday's meeting with President of Montenegro Momir Bulatovic, Churkin said they mainly focused on Russian actions to settle the Yugoslav crisis.

Davydov Urges Measures To Ensure Access to U.S. Markets

LD0710143594 Moscow ITAR-TASS in English 1301 GMT 7 Oct 94

[By BUSINESS-TASS correspondent Irina Bolshova]

[FBIS Transcribed Text] Moscow October 7 TASS—The establishment of a Russian-U.S. free trade area could become a strategic goal of bilateral economic cooperation, Oleg Davydov, Russian minister for foreign economic relations, told BUSINESS-TASS in an exclusive interview in comment on the results of Russian President Boris Yeltsin's recent visit to the United States.

Davydov urged the U.S. Administration to take measures to ensure Russia's free access to the U.S market. This would make it possible to unblock the funding of joint projects in Russia, which may run at 300-500 million dollars a month, he said.

The Russian minister is of the opinion that the granting of a favourable trading status to Russian exporters would boost the delivery of goods from Russia to the U.S by 100-150 million dollars a year.

"We are grateful to the U.S for assisting Russia during the difficult period of transition to a market economy. However, this assistance will not promote an advance of the Russian industry. It is necessary that the U.S. recognise Russia as a market-oriented country with a transitional-period economy. After all, the European Union did grant such a status to Russia," Davydov said.

Dubinin Comments on Aid for CIS, International Debt

LD0710193394 Moscow ITAR-TASS in English 1817 GMT 7 Oct 94

[By BUSINESS-TASS correspondent Vladimir Zadera]

[FBIS Transcribed Text] Moscow October 7 TASS—Russia will take active part in the elaboration of international decisions on the assistance to Commonwealth

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states, including Ukraine, acting Russian Minister of Finance Sergey Dubinin told an exclusive BUSINESS-TASS interview.

This was established by the recent Madrid meeting of the International Monetary Fund, the World Bank and the European Bank for Reconstruction and Development that discussed the Russian foreign debt problem, he said.

In the words of Dubinin, this intention reflects the stand of Russia, the chief creditor of Commonwealth states. Russia believes that the non-payment of their debts should entail re-structurization of Russian payments of the Soviet debt. The elaboration of decisions together with international creditors provides for Russian participation in their implementation while Russia does not claim either part of credits issued for Commonwealth nations. Dubinin thinks that Russia will thus help its fuel-energy complex, debts to which will be paid with foreign financing sources.

Russia is ready for compensation of Commonwealth debts with part of property on territories of the debtors. The debts can be registered with bills of exchange with the right to transfer on the financial market in accordance with the international norms, said Dubinin.

Foreign Ministry Opposes UN Security Council Expansion

LD0710170394 Moscow INTERFAX in English 1618 GMT 7 Oct 95

[From the "Diplomatic Panorama" feature, by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow believes time has not come to speak about concrete new candidates for permanent membership in the UN Security Council, a senior Russian Foreign Ministry's official told INTERFAX.

He said that any movement towards reforming the UN Security Council should be based on a concensus, which is so far reached in terms of the need to expand the Security Council's membership in line with the increased number of the UN members over the past years, said the diplomat.

He said that opinions differ concerning, for example, the problem of how many members should be in the Security Council. Some member-countries propose four members, others 15-20, he said.

The source said that negotiated is the fair geographic representation of members, as it is stated in the UN Charter.

If consensus is reached today concerning two indisputable candidates for permanent membership, Germany and Japan, this would disturb the balance in favor of the industrialized countries, said the diplomat.

As a result, the main aim, greater efficiency in the Security Council's activities, would be more distant.

The source expressed hope that New York's 49th session of the UN General Assembly will pass a resolution on extending the mandate of the so-called open working group created at the previous session of the UN General Assembly to discuss the complex of problems associated with the expansion of the Security Council's membership.

He believes that the current session will rather take decisions of procedure, not of essence since the Security Council's members have not yet elaborated a common stand.

Provisional Accord With EU Possible Before 31 Oct

LD0710190994 Moscow INTERFAX in English 1749 GMT 7 Oct 94

[FBIS Transcribed Text] A provisional partnership and cooperation agreement between Russia and the European Union could be drafted before October 31.

Maksim Medvedkov, a senior ministry official who shares in negotiating the agreement, told INTERFAX that the text had been largely finalized. The draft provides for most favored treatment in trade on GATT principles and lifting restrictions on the amount of Russian goods that could be imported by the EU member nations and other barriers such as on supplies of Russian nuclear materials.

The provisional agreement will be in force, Medvedkov said, until the basic document, signed by the Russian and EU leaders last June, is ratified.

He said, however, that the European negotiators wanted to extend national taxation to excisable goods imported from the EU. These goods are currently taxed at a much higher rate than local products. Medvedkov said that a decision on this would be reached in the near future.

CE Report Says Russia Not Complying With Standards

LD0710192394 Moscow ITAR-TASS in English 1836 GMT 7 Oct 94

[By ITAR-TASS correspondent Olga Semyonova]

[FBIS Transcribed Text] Paris October 7 TASS—"The Russian Federation is not yet corresponding to the standards of the Council of Europe which it intends to enter," this conclusion was made by a group of jurists from the European Commission on Human Rights in its report published in Strasbourg today.

According to this document, which local observers considered extremely unfavorable for Russia, "although the

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Russian Federation has set off on the path of the democratic development it has not yet reached the purpose of its trip".

Jurists note too many serious barriers which have not been overcome, in particular the authoritarian mentality of the Russian power.

Some circles inside the parliamentary assembly of the Council of Europe expressed doubts about the possibility of Russia's entry into this pan-European organization in 1995 despite the favorable attitude to this idea of its General Secretary Daniel Tarschys and chairman of the Parliamentary Assembly of the Council of Europe Angel Martinez.

Moscow Seeks Admittance to Paris Club as Creditor

LD1010202194 Moscow INTERFAX in English 1706 GMT 10 Oct 94

[FBIS Transcribed Text] Russia is seeking admittance to the Paris Club, encompassing the former Soviet Union's creditors, not only as a debtor but also as a creditor, Russian Vice Prime Minister Aleksandr Shokhin told the Financial Information Agency.

Shokhin pointed out that when Russia concluded bilateral agreements with former Soviet republics on their refusal of their assets abroad in favor of Russia, it found itself holding third countries' debts worth $144 billion in total. "Work with these assets is very difficult, though it is conducted in all directions. The most progress has been noticed in the relations with Indonesia, Vietnam and India," he added.

For example, India has expressed its readiness to repay all of its debts worth $900 million in rupees which can be used to purchase goods inside India. However, this variant is hardly acceptable as these goods can be sold on the domestic Russian market only if foreign trade companies are granted certain privileges which will lead to losses in budget incomes.

Shokhin admitted that "the government is to a much greater extent interested" in the repayment of debts to Russia by CIS states, notably Ukraine, than by third countries. Ukraine's debt for Russian fuel due in the fourth quarter of this year alone amounts to $600 million and about three trillion rubles.

Aliyev Updates Yeltsin on Situation in Azerbaijan

LD0810135294 Moscow Mayak Radio Network in Russian 1300 GMT 8 Oct 94

[FBIS Translated Text] The News and Information Agency has reported that Azerbaijan President Geydar Aliyev and Russian President Boris Yeltsin have had a telephone conversation. Aliyev briefed the Russian president on the situation in the republic and his talks with U.S. President Bill Clinton. Yeltsin said that Russia had always been in favor of Azerbaijan's independence and sovereignty. During the conversation the presidents touched upon problems of trade and economic cooperation.

Moscow Warns Against Unilateral Actions in Caspian

LD0810185894 Moscow ITAR-TASS in English 1842 GMT 8 Oct 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations October 8 TASS—"Unilateral actions as regards the Caspian Sea are unlawful and will not be recognized by the Russian Federation," says a memorandum "the stand of the Russian Federation on the legal regime of the Caspian Sea" circulated here today as an official document of the United Nations General Assembly.

"The Caspian Sea which has no natural connection with the world ocean is a closed water pool. The norms of the international sea law cannot be applied to the Caspian Sea, including the provisions concerning territorial sea, exclusive economic zone and continental shelf. Thus, there are no grounds for unilateral claims on the establishment of similar spaces in the Caspian Sea, same as the introduction of elements of their regime," says the document.

It is noted that the legal regime of the Caspian Sea is envisaged by the provisions of the Soviet-Iranian Treaties of 1921 and 1940 and has not been changed. The appearance of new Caspian nations requires the improvement of the legal regime with due account of preservation of the ecosystem of the unique water pool which has the world's only stock of Sturgeon.

In this connection the Russian Federation has submitted to consideration of all Caspian states a draft "agreement on preservation and use of bioresources of the Caspian Sea". The soonest conclusion of a "treaty on regional cooperation in the Caspian Sea" whose draft was developed by Iran is also very important.

"The Russian efforts to accelerate the conclusion of the aforesaid important treaties that correspond to the interests of all the Caspian states, unfortunately, encounters inertia that cannot be described other than an attempt to avoid the establishment of a new international-legal regime for the Caspian Sea. At the same time, some Caspian nations are holding unilateral actions, ignoring principles and norms of the international law, and trying to achieve unilateral benefits to the prejudice of rights and interests of other Caspian nations," says the document.

In this connection, Russia has informed the United Nations General Assembly that it "reserves the right to take necessary measures at a time it considers best to restore the broken order and eliminate the consequences of unilateral actions".

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Russia has warned that "all the responsibility in these cases, including possible material damage, will rest on those taking unilateral actions and showing their contempt for the nature of the Caspian Sea and obligations on international treaties".

Yeltsin Aide: Baku Oil Accord 'Deal of the Century'

LD0910213494 Moscow ITAR-TASS in English 2109 GMT 9 Oct 94

[FBIS Transcribed Text] Moscow October 10 TASS—An agreement signed by Azerbaijan with leading western oil companies in Baku on September 20 to develop three oil fields "can be rightfully called a deal of the century," a Russian presidential aide said.

In an interview with Russian television's Itogi programme on Sunday, Emil Pain, a member of the Russian Presidential Council, described the agreement as "a deal of the century not only by the magnitude of this economic operation, but also by its political effect."

He said that Azerbaijan has succeeded in persuading western businesses to invest in its economy and help it solve its problems, including the Karabakh conflict.

However, one cannot say that the Russian company Lukoil's ten per cent share in the deal will benefit Russia considerably. Should its interests clash with the interests of the West, this project may turn from a stabilising factor into a conflict catalyst for a long period of time, pain said.

According to Itogi, the deal will produce over 500 million tonnes of oil over a period of 30 years and 35 billion U.S. dollars in net profit.

But Azerbaijan is seeking to get hold of a large portion of the Caspian Sea. The Russian Foreign Ministry has repeatedly pointed out that the sea shelf has not been divided between the Caspian Sea states and therefore Russia cannot recognise the Baku agreement.

Meanwhile, Lukoil President Vagir Alekperov said that the talks in Baku had never been a secret and were held in contact with the Russian Embassy in Baku. "We are not politicians. We are technologists and work in the fields, no matter where we are. The Foreign Ministry could have let us know earlier and, if we really violate Russia's strategic interests, corrected us. We will fulfil all decisions on the Caspian Sea the Russian Government will adopt, including by the Foreign Ministry," he said.

Consultations With Iran on Caspian Sea Under Way

LD1010173194 Moscow INTERFAX in English 1447 GMT 10 Oct 94

[FBIS Transcribed Text] Interfax has learned from Russia's Foreign Ministry that Russian-Iranian consultations got underway in Moscow at the deputy foreign minister level Monday. The Russian delegation is led by Albert Chernyshev, the Iranian team by Mahmud Va'ezi.

According to a senior Russian diplomat, the sides will work for two days to examine all aspects of bilateral relations focusing on the use of Caspian natural resources. He said that the issue is particularly urgent in the wake of Azerbaijan's recent signing of an agreement with an international consortium to tap three oil deposits in the Caspian sea. "In our view, this accord holds no water as it undermines the 1921 and 1940 Soviet-Iranian agreements," the diplomat remarked.

He also reported that Chernyshev and Va'ezi would attend a conference on the Caspian Sea to be held in Moscow on Tuesday with representatives of all five Caspian states, Azerbaijan, Iran, Kazakhstan, Russia, and Turkmenistan, taking part. He said that the Caspian Sea regime could be altered only through negotiations between all the sides concerned and stressed that any unilateral action would be condemned.

Shumeyko Arrives in Yerevan, To Meet Ter-Petrosyan

LD0910192594 Moscow ITAR-TASS in English 1734 GMT 9 Oct 94

[By ITAR-TASS special correspondents Lyudmila Yermakova and Tigran Liloyan]

[FBIS Transcribed Text] Yerevan October 9 TASS—Russian Federation Council Chairman Vladimir Shumeyko arrived in Yerevan on Sunday on his first official visit to Armenia.

During the visit, Shumeyko is expected to meet with Armenian President Levon Ter-Petrosyan, leaders of the parliament and the government to discuss a wide range of issues.

At Yerevan's airport decorated with Russian and Armenian national flags Shumeyko was met by Armenian Parliament Chairman Babken Ararktsyan, Vice-President Gagik Arutyunyan, Vice-Prime Minister Vigen Chitechyan and other officials.

Moscow, Yerevan Agree on Wider Cooperation

LD1010173794 Moscow INTERFAX in English 1447 GMT 10 Oct 94

[FBIS Transcribed Text] Speaker of the Federation Council [FC] (the upper house of Russian parliament) Vladimir Shumeyko and Armenian Prime Minister Grant Bagratian ended talks in Yerevan on Monday by agreeing that the two countries must maintain their positions in each other's markets by widening economic cooperation including in the sphere of high technologies.

Senior FC spokesman Yuriy Algunov, commenting on the Yerevan talks, said that economic cooperation could help promote partnership ties between the two countries and consolidate their positions in the world market.

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He said the Armenian prime minister had raised the question of recommissioning the local nuclear power plant which was vital to energy-starved Armenia. Bagratian said that international experts, including those of the International Atomic Energy Agency, said the station was well maintained.

Although not affected, the Armenian nuclear facility was shut down under public pressure in the wake of the 1998 earthquake.

Moscow, Yerevan To Initial Agreement on Military Base

LD1110110294 Moscow ITAR-TASS in English 1023 GMT 11 Oct 94

[By ITAR-TASS correspondents Lyudmila Yermakova and Tigran Liloyan]

[FBIS Transcribed Text] Yerevan October 11 TASS—Moscow and Yerevan are expected to sign an agreement on a Russian military base in Armenia soon. It will be a new document defining the status of Russian troops in foreign countries, said Armenian President Levon Ter-Petrosyan after an hour-long conversation with the Russian Federation Council Chairman Vladimir Shumeyko here today.

The president said that the Armenian leadership contributed to the process of realisation of the idea, and the document would be initialed by the defence ministers of the two countries in Moscow on Tuesday.

As concerns the treaty on friendship, cooperation and mutual security signed between Armenia and Russia in December 1991, Ter- Petrosyan expressed the hope that the document would be ratified by the Russian parliament soon. Much time has elapsed, and it is probably advisable to review some clauses of the treaty or even write the entire treaty anew, Ter-Petrosyan admitted. Over the past three years of independence both Russia and Armenia have acquired considerable experience of inter-state relations, which can help improve the treaty, the Armenian president added.

Construction of Military Base in Armenia Discussed

LD1010195694 Moscow INTERFAX in English 1706 GMT 10 Oct 94

[FBIS Transcribed Text] Russian Defense Minister Pavel Grachev and his Armenian counterpart Serzh Sarkisian met in Moscow on Monday to discuss the possibility of building a Russian military base in Armenia, Grachev's aide Yelena Agapova told Interfax.

She said that the defense ministers had also discussed prospects for military cooperation.

Russia is planning to build four military bases in Transcaucasus, including three in Georgia and one in Armenia.

Yeltsin Regrets Missed Meeting With Irish Premier

LD0710105894 Moscow ITAR-TASS in English 1040 GMT 7 Oct 94

[FBIS Transcribed Text] Moscow October 7 ITAR-TASS—"I am sincerely sorry that our meeting in Shannon did not take place because of a vexing misunderstanding. I am confident that the friendly ties which have taken shape between the Russian Federation and Ireland will continue to develop for the benefit of our countries and nations," Russian President Boris Yeltsin said in a message to Ireland's Prime Minister Albert Reynolds.

ITAR-TASS received the text of the message from the presidential press service today.

Boris Yeltsin expressed satisfaction with the fact that the talks between Russia's First Vice Premier Oleg Soskovets with the Irish prime minister in Shannon provided an opportunity for an in-depth examination of prospects for the extension of bilateral cooperation, particularly in the trade and economic field.

The Russian president confirmed his invitation to Arnold Reynolds to visit the Russian Federation in the first half of 1995, and expressed the hope that they would see each other in Budapest during the CSCE summit in December.

Japanese Boat Sunk as Russia Seeks Disaster Aid

MM0710153194 Moscow IZVESTIYA in Russian 7 Oct 94 p 3

[Report by Sergey Agafonov: "Russia Shooting, Protesting, and Asking for Money"]

[FBIS Translated Text] Tokyo—The severe earthquake that has completely swept away the already poor infrastructure on the South Kurils, bringing about fatalities and considerable material loss for the Russian side, has triggered a lively and sincere response in Japan, which has endured many natural disasters itself.

Various levels, up to government level, have expressed readiness to help, and this help is in no way linked to "big-league politics" or to the Russo-Japanese territorial dispute in which the islands affected by the temblors and tsunami are the "bone of contention."

But the Japanese were forced to return to politics by other objective circumstances—the almost day-late news from Moscow that Russian border guards had shot at and sunk a Japanese fishing vessel (the smack Horai-maru 68 with a three-man crew, to be exact) sending it to the bottom a few hours before the earthquake began in the Shikotan area. This news, together with a Russian protest about illegal Japanese fishing in Russian waters, caused a wave of quite different emotions in Japan.

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Tokyo is calling into question the legality of the actions of the border guards—who, according to the Japanese, sank the Horai-maru in Japanese territorial waters—and is calling for the immediate release of the crew and the payment of compensation. The Japanese are insisting that a Russian shell holed a Japanese ship below the waterline at the very time when bilateral consultations are under way into the problem of fishing in disputed waters.

Moreover, the Japanese were simultaneously struck and puzzled by another aspect of this sorry story. Despite the shooting and the protests, Moscow has declared its intention through an important government official to ask Tokyo for money to help clear up after the South Kurils earthquake. KYODO reports that this was stated after a Russian Government session by First Vice Premier Oleg Soskovets, who also indicated the sum—$100 million—which Russia hopes to receive after asking Japan and the United States for help.

Soskovets did not say a word about the incident of the sinking of the Japanese ship.

Officials Comment on Firing on Boat

OW0810045194 Moscow Radio Moscow in Japanese 1100 GMT 7 Oct 94

[FBIS Translated Text] At a 6 October briefing in Moscow, Commander (Kujinov) of the Russian Border Guard said that Japanese fishing boats have illegally entered Russian territorial waters for the purpose of pouching about 700 times so far this year. Moreover, Commander (Kujinov) also commented on an incident in which Russian border guard troops were forced to fire at a Japanese fishing boat which was illegally fishing in Russian territorial waters near the southern Kuril Islands late in the night of 4-5 October. The fishing boat later sunk but none of its crew members was injured.

In this regard, a Russian Government spokesman made a statement yesterday, saying that the act of the Russian Border Guard was not in violation of humanitarian or international rules. The same spokesman also said that international rules allow the use of arms if a violator does not obey the authorities.

Japan To Help in Kuril Islands Relief Efforts

OW0810045294 Moscow Radio Moscow in Japanese 1100 GMT 7 Oct 94

[FBIS Translated Text] A government committee to help people recover from earthquake damage has started to operate in the southern Kuril Islands in Russian Far East region which were struck by a major earthquake. The committee will survey the scale of damage and provide emergency aid to quake victims. There are some casualties. However, the committee is currently trying to ascertain the exact number of dead. Moreover, damage was done to houses, power lines, and communications facilities. In addition, farm land, and fuel and food storage facilities were also destroyed.

The Russian Government allocated 100 billion rubles for relief measures in this region. On the other hand, the Japanese Government has also decided to cooperate with the Russian Government in relief operations. A decision was made to improve the economic and social structures on the quake-hit islands.

Foreign Ministry on Aid for Kurils

LD1010185894 Moscow INTERFAX in English 1619 GMT 10 Oct 94

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Two Japanese ships with humanitarian aid for the population suffering from the consequences of the recent earthquake are expected to reach the South Kuril Islands this week, a senior member of Russia's Foreign Ministry told Interfax on Monday.

Last week, he said, Tokyo expressed its willingness to give Russia aid in overcoming the consequences of the natural disaster that struck the South Kurils. Later Japan presented "concrete suggestions on this score."

"Russia made it clear what aid is required," the diplomat said. "Japan accepted some of its suggestions; others are under consideration."

"The process of coordinating our wishes and their opportunities is continuing," the diplomat noted. "The contacts involve several directions, including the two countries' embassies, Foreign Ministries, and Russia's General Consulate in Sapporo. On our side the main coordinating role is played by a governmental commission, some of whose members are working at the scene of the tragedy and some in Moscow," he said.

"Even though Japan's aid is not particularly big in terms of its volume, Tokyo's readiness to grant it is more important to us," the diplomat pointed out. "We are very grateful to our neighbor for it, and we see its step as an expression of the Japanese people's friendly feelings toward the Russian people."

"Russia is capable of coping with the consequences of the earthquake on its own," the source said. "The opportunities and means for it have already been found. This does not mean however that we reject the aid offered us at a difficult time," he noted.

When Japan makes its final decision in regard to Russian suggestions, it may grant additional aid to the residents of the South Kurils who are in a disastrous situation, the diplomat said.

Moscow opened foreign currency and ruble accounts for all those in Russia and abroad, who wish to make a

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contribution to the endeavors to overcome the consequences of the earthquake in the South Kurils. The number of the foreign currency account in Russia's Foreign Trade Bank is 07604001. The requisites of the ruble account opened in Russia's Central Bank are the following: OPERU CBR 1070104 LFU 191027.

Official Voices 'Concern' Over PRC Nuclear Test

LD0710155194 Moscow ITAR-TASS World Service in Russian 1430 GMT 7 Oct 94

[By ITAR-TASS diplomatic correspondents Andrey Serov and Viktor Khrekov]

[FBIS Translated Text] Moscow, 7 Oct—An official spokesman of the Russian Foreign Ministry has expressed regret and concern at China's underground nuclear test today. This is now the third and what is more the most powerful nuclear explosion in the PRC in conditions where other nuclear powers have been showing restraint, and have for two years been observing a jointly declared moratorium on such tests, Grigoriy Karasin, director of the Russian Foreign Ministry's press and information department, stated in an interview given to the ITAR-TASS correspondent.

This action by China gives rise to regret and concern, the Russian diplomat pointed out. He contrasts it with the fresh prospects for nuclear disarmament that were opened up as a result of the recent Russian-American summit meeting. This action will in no way facilitate the creation of a favorable atmosphere around the multilateral Geneva talks on a comprehensive halting of nuclear tests and is plainly at variance with China's declared readiness to facilitate a prompt completion of these negotiations, Karasin stressed.

We hope, the Foreign Ministry spokesman continued, that our Chinese partners will review their policy on nuclear tests and refrain from carrying out any further ones. That would be a real contribution by the PRC to a strengthening of the nuclear nonproliferation regime and international security and peace.

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Political Issues

Chernomyrdin Says Reshuffle Rumors 'Exaggerated'

LD0810140094 Moscow ITAR-TASS World Service in Russian 1335 GMT 8 Oct 94

[By ITAR-TASS correspondents Viktor Demidenko, Gennadiy Yezhov, and Mikhail Melnik]

[FBIS Translated Text] Kiev, 8 Oct—Viktor Chernomyrdin, head of the Russian government, who is visiting Kiev, described rumors of a possible major reshuffle in the Russian government as exaggerated. "There will be no fundamental changes in the government," Viktor Chernomyrdin stressed. He dis not rule out, however, that there might be new ministers to fill vacancies in government.

The Russian premier remarked that the government now needs "professionals", first of all, regardless of their political party affiliations. Communists could join the government, too, Viktor Chernomyrdin said.

The Russian premier stressed that it has already become a certain rule that when the president or the prime minister are away the capital becomes rife with talk on a substantial reshuffle in their apparatus or the government.

Chernomyrdin, Other Ministers Discuss 1995 Budget

LD1010163394 Moscow INTERFAX in English 1447 GMT 10 Oct 94

[FBIS Transcribed Text] A draft of the 1995 federal budget and a concept for Russia's credit and finance policy were discussed last Sunday at a working conference at the residence of Prime Minister Viktor Chernomyrdin in Sochi. According to sources close to the cabinet, the conference was attended by Vice Premiers Aleksandr Shokhin, Anatoliy Chubays, Aleksandr Zaveryukha, Sergey Shakhray, the acting Finance Minister Sergey Dubinin, his first deputy Andrey Vavilov and Chairman of the Central Bank Viktor Gerashchenko.

The meeting focused on a key question: whether the government should continue its present moderately tough credit and finance policy which in the opinion of several cabinet members is producing positive results in curbing inflation but does not help to overcome the mutual-debt crisis. The Finance Ministry stands for bringing monthly inflation down to 1% and financing the budget deficit mostly through foreign loans rather than through Central Bank credits.

Participants reportedly agreed that choosing a strategy for the new stage of reform beginning in 1995 and aimed at stabilization and economic recovery requires a decision from the top political leadership.

In addition, the conference tried to find a way to close the 2- trillion-ruble gap in the budget caused by the refusal of the International Monetary Fund to offer another systemic credit to Russia. In the initial draft of the 1995 budget this sum was accounted for as foreseen revenue.

Acting Finance Minister Dubinin said there is a version of the 1995 budget where the IMF credit does not appear. In his opinion, however, if Russia does not receive this credit the budget deficit is likely to be covered with Central Bank loans, leading to another round of inflation. Dubinin believes the hole can be filled in other ways, such as the selling of bonds on the domestic and world markets.

According to unconfirmed reports, as the Defence Ministry has demanded an increase in military spending from 45 trillion rubles this year to 60 trillion in 1995 and as social spending is going to be increased, the planned deficit remains over 10% of the gross domestic product despite IMF requirements that it be under. Experts say the initial, unapproved draft exceeds the 10% ceiling by 4 trillion and its calculations include the expected IMF loan.

Chernomyrdin reportedly instructed the heads of federal agencies to complete the work on the 1995 budget by the time he returns to Moscow from his break, October 23.

Skokov Tipped for Deputy Premier

LD1010212794 Moscow Russian Television Network in Russian 2000 GMT 10 Oct 94

[From the "Vesti" newscast]

[FBIS Translated Text] The man of last week was no doubt Yuriy Skokov, former secretary of the Russian Security Council. At any rate, the most incredible rumors are now surrounding his name.

[Unidentified correspondent over video of parliament building] Possible changes in the Cabinet of Ministers are also connected with his name. Representatives of the opposition, and even those of the Communist Party might be included into the cabinet. It seems Gennadiy Zyuganov is banking on Skokov becoming a member of the cabinet. The meeting between Yuriy Skokov and Oleg Soskovets has given further food for speculation. However, according to sources from the circles of the first deputy prime minister, the meeting was devoted solely to the past congress of commodity producers and to the meetings with public organizations.

Viktor Chernomyrdin was the one who dotted all the I's in this debate when he spoke during his meeting in Kiev.

[Begin recording] [Video shows Chernomyrdin with Kuchma in Kiev at news conference] [Unidentified correspondent] Since you have been away much has been said in Russia about the next Cabinet reshuffle. But you have not yet said a word about it to us.

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[Chernomyrdin] Because there has not been any reshuffle.

[Correspondent] But this is being discussed. Names are being mentioned, such as that of Skokov.

[Chernomyrdin] For which post?

[Correspondent] As your deputy prime minister.

[Chernomyrdin] I have become used to this now. As soon as I go somewhere, there are reshuffles there. Recently there has been some talk: We are allegedly inviting Communists and some others of that ilk. But from the very first day I said it: My position remains unchanged. Government should be run by professionals. [end recording]

[Correspondent] So, it cannot be ruled out that Skokov will be working in government soon. However, not as a representative of a party, but as a professional from the defense sector. We used to have defense sector people in our governments before, did we not?

Yeltsin Discusses Reforms With Governors

LD1010173494 Moscow INTERFAX in English 1554 GMT 10 Oct 94

[FBIS Transcribed Text] Russian President Boris Yeltsin had a meeting Monday with Foreign Minister Andrey Kozyrev and head of Foreign Intelligence and Counter-intelligence Services Yevgeniy Primakov and Viktor Stepashin, informed sources told Interfax.

The sources emphasized that such meetings are not scheduled in advance and have no specific agenda. As a rule, the developments of the past week and the activities of the heads of these agencies in the coming days are discussed at them.

At about 16:00 on October 10 Yeltsin was to meet with administration heads of various regions. The president was expected to outline, in particular, his proposals leading to continuation and tightening of the reforms. He had earlier discussed this with Prime Minister Viktor Chernomyrdin during a long meeting following the president's U.S. trip. Experts believe that the meetings would probably provide an insight into how the reforms would tell on various parts of Russia.

According to Interfax's sources, some governors want to raise again the issue of the rate at which the reforms proceed in various parts of the country.

In particular, the Nizhny Novgorod Governor Boris Nemtsov is worried that, depending on the policies of the regional authorities, the regions develop in opposite directions economically, socially and politically. For instance, the Ulyanovsk Regions continued, as he put it, on the social road.

The rationing and unduly low purchasing prices are maintained there while a market economy is being introduced around it.

Governors Hold News Conference After Yeltsin Meeting

LD1010195194 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 10 Oct 94

[From the "Novosti" newscast]

[FBIS Translated Text] This afternoon the Russian president met several heads of the country's regions. Journalists were not admitted to the meeting. Observers believe that the meeting was called in connection with the acceleration of reforms, which Boris Yeltsin had already mentioned. To all appearances, this was the main issue, which was mentioned at a news conference held later.

[Correspondent Mikhail Zotov] Anatoliy Tyazhlov, chairman of the Russian union of governors, and the governors of Kurgan, Perm, and Yaroslavl Oblasts held a news conference in Moscow today. According to them, today's meeting with Boris Yeltsin examined a program for stabilizing the Russian population's living standards, and measures aimed at state regulation of the securities market, as well as the nonpayment crisis, were discussed. The governors had voiced their views on all issues and proposed amendments. Upon agreement with Yeltsin, it was decided to cut the nonpayment knot as an experiment in Moscow Oblast, where enterprises' debts amount to about 800 billion rubles. At the same time, Moscow Oblast's banks are holding over 1 trillion rubles of available credits. It was decided to set up a fund to distribute credits and guarantee enterprises' ability to pay. Also, the governors appealed to the Russian population to invest available money in production and not in the shady games played by various joint-stock companies.

Yeltsin To Meet Rybkin, Deputy State Duma Speakers

LD1010183994 Moscow INTERFAX in English 1706 GMT 10 Oct 94

[FBIS Transcribed Text] Tuesday, Russian President Boris Yeltsin will meet State Duma Speaker Ivan Rybkin and his five deputies, including Mikhail Mityukov (Russia's Choice faction), Artur Chilingarov (deputies' group New Regional Policy), Valentin Kovalev (Russian Communist Party), Aleksandr Vengerovskiy (Liberal Democratic Party of Russia) [LDPR] and Alevtina Fedulova (Russia's Women). This statement was made by Deputy Speaker Aleksandr Vengerovskiy in an interview with Interfax on Monday.

Vengerovskiy said this will be Yeltsin's first meeting with all the leaders of the State Duma as earlier he had met only Rybkin tete-a-tete.

On behalf of the LDPR parliamentary faction, Vengerovskiy will raise the issue of the possibility of Yeltsin meeting with LDPR leader Vladimir Zhirinovskiy, "if allowed by the format of the meeting."

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Vengerovskiy also plans to explain the motives behind the LDPR's withdrawal from the Social Accord Pact, its attitude to the idea of a coalition government and to the 1996 elections.

Analysts React to Yeltsin Pledge To Toughen Reforms

LD0710111794 Moscow ITAR-TASS in English 1033 GMT 7 Oct 94

[By ITAR-TASS analyst Mikhail Krushinskiy]

[FBIS Transcribed Text] Moscow October 7 TASS—Most analysts here met President Boris Yeltsin's words about the need to make economic reform in Russia "a little bit more stringent" with a grain of salt. They think that the president's announcement at the October 4 press conference was designed for a certain effect and indicated no more than the president's desire to remain on friendly terms with representatives of a certain political trend. They do not expect any practical shifts in the economic sphere in the wake of Yeltsin's declaration.

Andrey Sizov, the head of the Sovecon analytical centre, recalled numerous authoritative statements about interminable and dreadful bankruptcies looming over the country. "It is impossible to discern any connection between such declarations and real life," he said.

Economist Nikolay Shmelev thinks likewise. "Good intentions have always been a sphere in which we made resolute strides from success to success, but in reality things happened which made it clear that we were marking time or even regressing. One example of such regress is the draft new taxation system drawn up in government offices—it is exclusively fiscal, not to say confiscatory in character," Shmelev points out.

What if real shifts will come to be? What if the bankruptcy mechanism is set in motion? Nikolay Shmelev thinks that such a turn of events might be conducive to a social explosion. But the country cannot do without real restructuring and a sensible industrial policy, without bringing the present half-hidden and "prettied-up" unemployment into the open, he insists. It is time to brace up for energetic actions, even though they might evoke a very painful reaction. Anyway, it would not go as far as an unbridled rebellion.

Philosopher-turned-entrepreneur Mark Masarskiy has expressed the same thought in a high-brow lingo: Russian society is not yet properly structured and is viscous with regard to information, "the temperature of ignition, boiling and burning various in different economic sectors and in different population groups." But this is exactly the property of the archaic cumbersome system called Russia which will guard it against complete self-destruction. Of course, reforms should be speeded up, but few people believe it is possible overnight.

Chechen People Urged To Resolve Conflict

LD1010104494 Moscow ITAR-TASS World Service in Russian 0955 GMT 10 Oct 94

[FBIS Translated Excerpt] Moscow, 10 Oct (ITAR-TASS)—The Russian Federation Council has appealed to the people of Chechnya to join efforts in order to overcome the tragic situation in Chechnya, which is "the sorest wound in our Fatherland." "Only when there is peace and accord, good-neighborliness, and mutual respect can we restore law and order in our common home," the appeal says. The text of the document has been handed over to ITAR-TASS by the Federation Council press center.

"The peace and well-being of the people of Chechnya has been sacrificed to the ambitions and selfish interests of its politicians," the documents says. "Sit down at the negotiating table and find peaceful ways of resolving the conflict through a free and democratic dialogue and not through the use of force, and take into account the interests of all peoples of the Caucasus," the Federation Council says in its appeal to the Chechen leadership.

The appeal asks mothers and wives: "Stop your sons and husbands who are taking part in the fratricidal war, which could turn into a war in the Caucasus." [passage omitted]

Khasbulatov on Moscow's 'Sensible' Path To Talks

LD0910202994 Moscow NTV in Russian 1800 GMT 9 Oct 94

[Video report by correspondent Grunskiy; passages in quotation marks are recorded; from the "Itogi" program]

[FBIS Translated Excerpt] [Video shows a popular gathering, interviews with Khasbulatov and Gantimirov, which alternate with footage of military hardware and people in uniform] [Grunskyy] Chechnya, a complex knot of geopolitical, military, and clan interests, reminds one more and more of a country of distorting mirrors where the current regime and the opposition have deeply embroiled themselves in mutual accusations. Incidentally, these accusations are also completely identical. [passage omitted]

[Beslan Gantimirov, troops commander in chief of the Interim Council, identified by caption] "One can say firmly that there is a civil war in Chechnya. I do not want to ill-mouth my adversaries, who are also my compatriots. On the one hand, these are the people who have genuinely lost their way, who genuinely do not understand what they are doing and who they are following. On the other, by and large these are the people who today enjoy certain privileges, granted by them by the generous president. We see how many oil products are being stolen daily. In fact, one cannot buy oil products from the state here, everything is bought from private traders,

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and private oil trucks. These people are defending this very gasoline that will enable them to co-exist with Dudayev very nicely. They are allowed to plunder the country's wealth and make their little nest eggs. These people are defending—what, the state, the nation? It is not even Dudayev, it is this oil pipeline that they are defending."

[Grunskiy] The opposition believes that Dzhokhar Dudayev himself has made enough money on oil, the major natural wealth of this small republic.

[Khasbulatov] "I have heard that he is worth 500 million dollars."

[Grunskiy] The president of Chechnya denies this of course, saying that it is the leaders of the opposition who are cashing in on the present situation now. According to him, they receive money from Moscow.

[Dudayev] "They would be happy to run away now. They make it to Moscow, only to see that things are getting hot there, too. So they return and work (?for their money) here—they are sitting in their little kennels and yapping about ultimatums and stuff."

[Grunskiy] Ruslan Khasbulatov assesses the Chechen situation and his recent visit to Moscow under a totally different light.

[Khasbulatov] "All I wanted is to inform the Russian public what is going on in the Chechen Republic. I myself knew it too well, because the Russian Federal Assembly had considered this back at the beginning in 1992, when Dudayev was elected president and the parliamentary elections were held. We then came to the conclusion that these elections were fully rigged. We made a statement of protest and required a new election, but unfortunately then, as you know, we had certain misunderstandings with the powers that be." [passage omitted]

[Grunskiy] According to some sources, Khasbulatov's stay in Chechnya is the main obstacle in the way of allegedly promised Russia's military assistance to the Chechen opposition.

[Khasbulatov] "Moscow has also realized that probably it would be very difficult to carry out any crisis negotiations here without my participation, because not a single public force that acts against me will be able to keep hold of power for a long period. That is why, I believe, Moscow has engaged on a fairly sensible path of conducting negotiations with me." [passage omitted]

Aide Assesses Presidential Decree on Executive Power

LD0810161794 Moscow ITAR-TASS in English 1500 GMT 8 Oct 94

[By ITAR-TASS correspondent Anna Melnikova]

[FBIS Transcribed Text] Moscow October 8 TASS—A presidential decree "on measures to consolidate the Russian executive power" is a forced measure necessary to establish general principles of power organization in federation subjects before the adoption of a corresponding federal law, aide of the presidential assistant for national security in charge of legal issues and doctor of law Mikhail Krasnov told ITAR-TASS today.

He said that the decree "will minimize political speculations around the elections of administration heads. The decree says that the date of these elections shall be set by the president before the adoption of corresponding laws. This provision can be viewed as a way to ease regional tension. It will help the president to regulate these processes in regions before the adoption of a federal law".

"Elected and nominated heads of administrations will now have equal rights. This will stop the division of governors into two categories - fully-fledged (elected) and not fully fledged (nominated)," said Krasnov.

"Bearing in mind the law on territorial and regional councils of people's deputies became invalid in winter, administration heads were in a legal vacuum and the decree will now regulate their relations with regional and territorial representative power bodies, which will be done on the basis of division of powers," he noted.

The decree introduces a new norm, under which the formation, reorganization and liquidation of federal power bodies located in regions shall be done in coordination with the administration heads, which increases the interaction of federal and regional authorities, said krasnov.

In his opinion, "the federal law or a presidential decree shall introduce a mechanism of federal control over regional administrations. One should remember that heads of regional administrations are part of the executive vertical, on one hand, and personify independence of regions within constitutional limits, on the other hand."

'Text' of Yeltsin Message to Moscow Interior Services

LD1110084494 Moscow ITAR-TASS in English 0813 GMT 11 Oct 94

[By ITAR-TASS correspondent; quotation marks as received]

[FBIS Transcribed Text] Moscow October 11 TASS—Russian President Boris Yeltsin has sent a message of greetings to the personnel of the Moscow interior services. Follows its full text, forwarded to ITAR-TASS by the press service of the Russian president: "Dear friends,

One year has elapsed since the tragic October events, when we all had to pass the test of civil and professional maturity.

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An attempt to plunge Russia into the abyss of a civil war was prevented with the direct participation of the personnel of the interior services and the Russian interior troops hand in hand with the sound forces of our society, at the cost of the lives of the finest soldiers of our law enforcement bodies. Order and tranquility were restored in the capital.

The names of our killed comrades-in-arms, which we pronounce with pride and heartfelt pain, will remain in our memory forever.

I hope that the men of the Moscow chief interior department will muster all their forces, knowledge, and professional skills to combat crime, that they will always be an example of dedication to their service duty and loyalty to Russia.

I thank you for your service. I wish you good health, happiness, and successes in the effort to strengthen law and order in Moscow.

[Signed] B. Yeltsin."

Yeltsin Nominates Constitutional Court Judges

MM1110084594 Moscow IZVESTIYA in Russian 11 Oct 94 p 2

[Report by Yuriy Feofanov: "Who Will Staff Constitutional Court"]

[FBIS Translated Text] For two years now that the Constitutional Court has not been operating in Russia—it does not have the quorum stipulated by the Fundamental Law—19 people. The right to nominate the lacking candidates belongs exclusively to the president—he has so far failed to use it. Why? That is another question. It is important that on 6 October Boris Yeltsin said the following to the Federation Council (the latter appoints judges):

"I shall not conceal the fact that it was extremely difficult for me to choose just six candidates from nearly 50 nominations submitted by the all-Russian congress of judges, the Russian Ministry of Justice, the state organs, public organizations, and groups of deputies and recommended by the council for cadres policy. Virtually all are eminent lawyers who have given an account of themselves as major specialists in the field of law."

Here are the candidates nominated by the president: M. Mityuov, now deputy chairman of the State Duma, formerly chairman of the Supreme Soviet Committee for Legislation and a candidate of juridical sciences; M. Krasnov, a doctor of law, scientific worker, and sector head at the Academy of Sciences Institute of State and Law; V. TUmanov, doctor and professor; O. Khokhryakova, doctor of juridical sciences from the Sverdlovsk juridical institute; V. Savitskiy, sector head of the Institute of State and Law, who for 10 years has been seeking the adoption of a law on appealing against the actions of officials and who has been a consistent fighter for the legalization of the principle of the presumption of innocence; and V. Yaroslavtsev, member of the Leningrad city court.

Now they have to be examined at the Federation Council committee for constitutional legislation, which alone has the right to appoint them.

And who will receive the necessary number of votes there is a matter solely for the results of the secret ballot.

Yeltsin Cancels Order Blocking Moscow Oblast Moves

MM1110095994 Moscow ROSSIYSKAYA GAZETA in Russian 11 Oct 94 p 1

[Edict of the Russian Federation President "Ruling Invalid the Edict of the Russian Federation President Dated 9 September 1994 No. 1844," signed by Russian Federation President B. Yeltsin and dated 7 October 1994]

[FBIS Translated Text] In connection with the entry into force of the Edict of the Russian Federation President dated 3 October 1994 No. 1969 "On Measures to Strengthen the Single System of Executive Power in the Russian Federation," **I decree**:

that the Edict of the Russian Federation President dated 9 September 1994 No. 1844 "On Discontinuing the Action of the Decree of the Head of Moscow Oblast Administration dated 6 May 1994 No. 102 'On Cadres'" (Collected Russian Federation Legislation 1994, No. 20, Article 2253) is ruled invalid.

[signed] Russian Federation President B. Yeltsin
Moscow, the Kremlin
7 October 1994
No. 1988

Zhirinovskiy Calls LDPR Victim of 'State Terrorism'

LD0710135794 Moscow ITAR-TASS in English 1308 GMT 7 Oct 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow October 7 TASS—Twenty-nine delegates from the Liberal Democratic Party of Russia (LDPR) were made "victims of an act of state terrorism," when the airplane aboard which they were travelling was denied landing at Kemerovo airport on October 2, and the party as a whole is an object of "planned harassment," LDPR leader Vladimir Zhirinovskiy told a press conference in the State Duma today after walking out of the lower house session.

On behalf of the LDPR leadership and parliamentary faction Zhirinovskiy demanded a radical renewal, or, "still better" a replacement of the entire government with new people.

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Zhirinovskiy and other members of his faction in the State Duma walked out after declaring that the LDPR was withdrawing from the agreement on civic accord and the faction was suspending indefinitely its participation in the Duma session.

Zhirinovskiy took 30 minutes to complain of "badgering, disinformation, lies and slander" against his faction throughout the nine months of its existence.

According to him, LDPR members in the State Duma are not allowed free travel in and outside the country, the party's financial resources remain "unblocked," and it is denied office space. "The cup of patience is overflowing, we have to react," he said.

The LDPR leader recalled every case in which authorities hurt the feelings of his party's members in St. Petersburg and Nizhniy Novgorod and during his trip down the Volga last summer. Zhirinovskiy said the last incident at Kemerovo, western Siberia, was "a prearranged state crime, an act of political provocation." He demanded the resignation of the governor of Kemerovo along with the Russian minister of foreign affairs who, according to Zhirinovskiy, "hampered LDPR members' trips abroad."

The latest addition to the "black list" is speaker Ivan Rybkin, who, according to Zhirinovskiy, is "pernicious for the State Duma."

The Liberal Democratic Party of Russia favours "a quick renewal" of the government, or "still better," its complete resignation, Zhirinovskiy said.

"We are ready to take part in the work of the executive branch of power," he said. "If this comes to be, the situation in the country will begin to improve immediately," Zhirinovskiy assured the press conference.

Gaydar Sees Personal Ambitions as 'Threat To Democracy'

LD0810180794 Moscow INTERFAX in English 1607 GMT 8 Oct 94

[FBIS Transcribed Text] Yegor Gaydar, who leads the parliamentary faction of the Russia's Choice movement, feels that the display of personal ambitions by Democratic leaders presents a "real and serious threat to democracy in Russia." Addressing the movement's second convention in the city of Suzdal (Vladimir region), Gaydar said it was not important what Democratic leader came to sit in the president's seat now that "the display of personal ambitions could bring to power utterly dangerous and irresponsible people."

He and Boris Fedorov "knew how to sway vote in the parliamentary elections of December 12, 1993." Increased monetary emission in October, 1993, would have sent inflation rate up only in February or March when the country had already elected a new parliament but Gaydar, who served then as Russia's First Vice-Premier, and ex- Finance Minister Fedorov saw that way of influencing the voters' mood as "low and amoral politicking" that "must be ruled out." "Democracy, Gaydar told the convention in Suzdal, must be moral and politics - honest."

Gaydar saw no reason for pessimism. He felt visits to the countryside proved that "truth was on the side of Russia's democratic forces and that people listened to Democrats if those used plain words."

Gaydar saw no ideological differences between his Russia's Democratic Choice Party and the Russia's Choice movement. "It is inadmissible to put the two organizations at loggerheads," he said.

Faction Leader Urges Democrats To Unite at Elections

LD1010154094 Moscow ITAR-TASS in English 1456 GMT 10 Oct 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow October 10 TASS— "The leader of the democratic parliamentary faction "December 12 Liberal Democratic Union," Boris Fedorov, called all Russian democrats to "unite on the ground of opposing the government" and, "abandoning defeatism and compromises," to seek victory in the 1996 elections.

Boris Fedorov, a former finance minister, was elected to the State Duma on party rolls of "Russia's Choice" bloc, but he later formed his own parliamentary faction.

Fedorov refused to become a cochairman of "Russia's Choice" movement which held a congress in Suzdal on October 8 and 9. One of reasons was that his proposal to change the party's name was not supported by the congress. The proposal appears to be underlined by the politician's desire to distance "Russia's Choice" movement from "Democratic Russia's Choice," Gaydar-lead party of actually the same name as the movement's.

Federov told a news conference today that Russia's pro-democracy movement is in "profound crisis" and that the liberal democratic fund was ready to play a unifying role. Fedorov called members of "Russia's Choice" and other democratic organisations to join the liberal democratic fund in order to "struggle together for the victory in the elections." Fedorov thereby made it explicit that he intends to compete Gaydar in influence on rank members of "Russia's Choice."

A statement from the liberal democratic fund offers that all democratic factions start the negotiation on coordination of parliamentary and electoral activities, and on generating a strategy for nomination of a single candidate of the democratic opposition in the presidential election ahead.

Fedorov explained, however, that being in opposition did not necessarily mean that the democrats would vote

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no-confidence to Viktor Chernomyrdin if such voting were motioned. "Voting for the government's resignation is possible if there is good hope that the next government will be better," Fedorov said.

Details of New Democratic Russia Party

LD1010141294 Moscow ITAR-TASS in English 1356 GMT 10 Oct 94

[By ITAR-TASS correspondent Lyudmila Aleksandrova]

[FBIS Transcribed Text] Moscow October 10 TASS—A new federal party, "Democratic Russia", has appeared on the country's political scene after its foundation was proclaimed at a conference in Moscow on october 8-9. Lev Ponomarev and Galina Starovoytova who co-chaired the Democratic Russia movement have been elected co-chairs of the new party.

Lev Ponomarev told ITAR-TASS that one of the reasons behind the creation of the federal party Democratic Russia was that following the foundation of the party "Russia's Democratic Choice" with Yegor Gaydar at the head, the Democratic Russia movement was split. According to him, one half of the movement's activists joined the Gaydar party, while the other remained within the Democratic Russia movement. This second part felt the need to strengthen the movement organisationally, while remaining affiliated, as a new party, to the Democratic Russia movement which does not cease to exist.

According to Lev Ponomarev, the new party is "in the centre of the democratic spectrum" with the social democrats to the left and "Russia's Democratic Choice" to the right. The federal party of Democratic Russia may be described as a social-liberal party, he added.

The new party will be "almost oppositional", according to the party's co-chairman. "We have not adopted a resolution on joining the opposition to the president, we believe that there are still possibilities to support him, but they are fewer and fewer," he added. "We have formulated certain conditions for Boris Yeltsin to conform to, and if he fails to heed us, the Democratic Russia Party will join the opposition," said Lev Ponomarev. The party's demands include "counteraction to nomenklatura revenge seekers, the suppression of bureaucratic arbitrariness and corruption, the rejection of the neo-imperial policy with respect to countries near abroad and farther afield."

The new party condemns "hypocritical reconciliation within the frame of the agreement on public accord." "This consolidation marked the beginning of transforming the existing nomenklatura regime into a repressive one. Russian democracy can be saved only if all of its supporters join forces and nominate a single candidate for the presidency," the Democratic Russia party said in a statement.

'Russia's Choice' Backs Fedorov Proposal on Cooperation

LD1010194994 Moscow INTERFAX in English 1706 GMT 10 Oct 94

[FBIS Transcribed Text] Co-Chairman of Russia's Choice, State Duma deputy Pavel Medvedev, has backed the proposal made by leader of the Liberal-Democratic Fund and the Liberal-Democratic Union of December 12 parliamentary faction Boris Fedorov. Today Fedorov urged all democratic forces to begin talks in order to strategize their partnership in the parliament and to work out a mechanism for putting forward a single candidate for the presidential elections in Russia.

At the same time, Medvedev was skeptical while speaking about the proposal of Fedorov that his supporters become a democratic opposition to the government. Medvedev said he believed that Fedorov should not have set this as a pre-condition for the beginning of the talks.

Commenting on the proposal of Fedorov that members of Russia's Choice join the Liberal-Democratic Fund, Medvedev said it was not important who joins who. He said it was necessary to begin consultations with the Liberal-Democratic Fund and the Yabloko faction (led by Yavlinskiy) immediately. The positions of the Yabloko faction and the Liberal-Democratic Union of December 12 faction are now close on many issues, Yabloko leader Grigoriy Yavlinskiy told Interfax today. He said the positions of the two factions were becoming closer and closer.

Yavlinskiy said he was pleased with the statement of Fedorov about the Liberal-Democratic Fund being a democratic opposition to the government. Yavlinskiy said this had been done long ago during December 1993 elections.

Yavlinskiy said he doubted that Fedorov would run for the Russian presidency in the upcoming elections. He added that he hoped to find a common language with Fedorov on this issue.

Zyuganov Rejects Participation in Government

MM1110103994 Moscow PRAVDA in Russian 11 Oct 94 p 1

[Report by Valentina Nikiforova: "Communists Will Not Join This Government"]

[FBIS Translated Text] No, it is no accident that leaders of the Communist Party of the Russian Federation [CPRF] are fed up with being asked: Are the Communists agreeable to joining the present government? And the questioners go on to amplify: "After all, you are in favor of a coalition government, and this is what the present one essentially is." The point is that the president and the government have concentrated in their hands all power: executive, legislative, and judicial. And they are still failing to cope. Therefore, it is necessary to

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"leak information" about impending changes and excite society's interest by making a grand gesture: We are—they say—inviting Communists and Agrarians to join the government, the premier has already held hours-long private conversations with them.

CPRF leaders responded to all these suppositions.

Gennadiy Zyuganov, chairman of the CPRF Central Executive Committee:

"Only a strong government can cope with the present crisis—it must be under the State Duma's control and must without fail account to it once every three months. We will not participate in this government which, as B. Yeltsin has confirmed, will pursue the former policy, the policy of destruction. Incidentally, nobody has made me an official offer to join the government.

"The State Duma's main task is to prepare a legal base for holding normal elections."

Valentin Kuptsov, first deputy chairman of the Central Executive Committee:

"The Communist Party is conducting a national poll on the non-extension of the Federal Assembly's powers and on early presidential elections. We want to accomplish three tasks in the course of this poll: Determine the real attitude toward the president and the Federal Assembly, analyze the attitude of different age groups toward early elections, and check the effectiveness of party organizations.

"The poll has been under way for two weeks now. We have collected over 800,000 signatures. It can already be said that people have shown interest in the poll. More than 70,000 people have signed in Moscow, and 40,000 in Penza.

"The authorities are on their guard as regards the poll, they are raising obstacles here and there. A collector of signatures was beaten up in Saratov—a criminal case has been instituted on the initiative of State Duma Deputy A. Gordeyev. M. Demenkov has gone on hunger strike in Smolensk as a protest against the present authorities—he is enjoying support, with 300-400 people signing up each day."

Ye. Yakovlev Scores Yeltsin's 'Antics'

MK0710123094 Moscow OBSHCHAYA GAZETA in Russian No.40/65 7-13 Oct 94 (Signed to press 6 Oct) p 8

[Report by Yegor Yakovlev, OBSHCHAYA GAZETA editor-in-chief, under the "Flights in a Dream and in Reality" rubric: "What Stop Is It: Bologoye or Popovka? [line from Samuil Marshak's children's poem about an absent-minded man]"]

[FBIS Translated Text] Could anyone think that the lines about the absent-minded man from Basseynaya Street will ring these days as a parody of the Russian president who overslept Ireland. Why did he oversleep? Official theories say: he got tired during the flight, his blood pressure went up. Finally, the president himself said: his security service did not allow anyone to disturb him during his "sleeping hour." He promised "to get them for it." But people say: Why get others for it if you yourself got stoned on the way? And if our newspapers limit themselves only to transparent hints in this regard, Western sources call a spade a spade. The president overslept Ireland because he had had one too many Russian vodkas, according to BBC broadcasts.

Frankly speaking, I did not expect that I would have to address such lines to you, Boris Nikolayevich. The antics of your behavior, however, are becoming increasingly manifest with every passing day.

I remember you once disappearing for a few days to show up afterward in Novorossiysk. And telling me in irritation: "Why have the journalists raised such a brouhaha?" Because you are a president. This is why Irish newspapers are writing now that the world's second most important power snubbed their tiny country. Yet why quote others if I have seen some things for myself and know others for sure.

I cannot forget the shame I had to endure at a meeting of the CIS heads of state far from Moscow. Initially, the president was in good shape—he did not simply attend the meeting, he appeared to be conducting talks. But after lunch, the entire subsequent official schedule was thwarted; the heads of state were departing, keeping their eyes away from each other; press secretary Kostikov was scurrying around, begging to take cameras away: God forbid that Yeltsin should be filmed in this condition. As a matter of fact, journalists have already gotten used to this. They wait for hours at the government airfield for the presidential plane to arrive, which, as a rule, tends to be late. But then they are ushered out empty-handed at the request of competent officials: the arriving president is unfit for presentation to journalists.

I will remind you of the story about the departure of Russia's No. 1 official from Kazakhstan on the evening of 18 August 1991, just on the eve of the coup—as it was laid down in the "Notes of the President." "The departure was held up for an hour. Then for another hour. Nursultan Nazarbayev's is an Oriental hospitality—not assertive, but a soft, delicate one. The grip is the same, though. Then I had a feeling that something was going wrong... I do not think that the three-hour delay in our departure from Alma- Ata [Almaty] occurred just by chance. Maybe something will be clarified in the State of Emergency Committee trial." Why count on the trial that never took place, though—everything is clear even without it. At any rate, to the Kazakhstani leaders. On that evening the Russian president was not able to be transported. So his very entourage requested that his departure be delayed first for one hour, then for another, and yet another hour...

When the president and those around him have to pass over in silence the juicy details of the goings-on, moral

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judgments and the most basic assumptions of what is permissible and what is not are breaking down in society. Day in, day out the story is being puffed up about Yeltsin's aides who allegedly sent him a letter following his trip to Germany, advising the president to mend his ways. Some in the inner circle deny that this has happened, others make it clear that it is true. Everyone is busy predicting what punishment will be meted out to the authors of the letter and those who signed it. What they are not concerned with is only one thing: the origins of the story. They go back to the president's benefit appearance as conductor, to the performance of his favorite "Kalinka" in front of a baffled German audience, to the need to prop him up by the hand. For us, watching the film sequence that has apparently been shown abroad for sheer fun was a crying shame.

The signs are that the president is increasingly becoming a hostage to his entourage. Meanwhile, the country appears to be entering a period of anonymous rule. Presently, Yeltsin's signature under a document now and again proves to be a golden key that is being grabbed by the person who comes into his office first. Boris Nikolayevich, members of your inner circles have been allowed too much. Why? Because they know too much. The president is gradually getting rid of those overly knowledgeable, replacing them with others according to the principle of personal loyalty. But precisely this principle underlies the law of waning fertility. Most importantly, though, this does not change the basics: what is your weakness is their strength.

... There were years when I was haunted by a nightmare. I found myself in public stark naked, in my birthday suit. I was so afraid that I nearly broke out in a cold sweat: What can I do to avoid shame, to slip away unnoticed. It was just a dream! But in reality people notice at once that the king doesn't have anything on. Believe me, Boris Nikolayevich, your liking for a drink seems a secret only to you alone.

It is the president's right to react one way or another to what OBSHCHAYA GAZETA is publishing today. If common sense does not fail him, he will understand that the above has been prompted by the cordial relations that have existed between us for many years. Nor is it easy for me to write all this—a journalist who was the first to come to you when you were ostracized after that disgraceful party plenary meeting. MOSKOVSKIYE NOVOSTI was the sole publication that wrote kind words about you at the time. Censors crossed out those articles in MOSKOVSKIYE NOVOSTI's Russian edition, so we published them in German, putting up the issue with your portrait, even though in an incomprehensible language, on Pushkin Square. On the night of 14 March 1989, the CPSU Central Committee demanded that the next day's issue of MOSKOVSKIYE NOVOSTI be put under the knife because it reported about vile tricks practiced by the Moscow City Communist Party Committee in an attempt to prevent you from becoming a USSR people's deputy. Albeit by way of deception, the issue did come out. I will not speak about OBSHCHAYA GAZETA, which was born in the days of the coup in order to win a struggle headed by Yeltsin.

Two years ago, in an open letter to the Russian president, I took the liberty of advising you to pause and look back... [article ends as published]

Fallout From Baturin Commission Article Viewed

MK0810104594 Moscow NEZAVISIMAYA GAZETA in Russian 8 Oct 94 pp 1, 2

[Report by Andrey Bayduzhiy under the "Scandal" rubric: "Who Controls Personnel Policy in Kremlin? Following NEZAVISIMAYA GAZETA Publication, a Scapegoat Was Found in Presidential Administration; State Duma May Come to Grips With Burlakov-Panichev 'Case'"]

[FBIS Translated Text] In late September, by presidential ordinance No. 486 drawn up by Sergey Filatov, Tengiz Borisov, senior secretary of the Commission on Top Military and Special Ranks that is part of the Russian president's Council for Personnel Policy, was dismissed from his job. This dismissal was the finale of a scandal that broke out following NEZAVISIMAYA GAZETA's publication of the article "Personnel Intrigues in the Top Echelons of Power" of 19 August 1994. It will be recalled that it reported about pressure exerted by some Russian chiefs on commission members to force them to recommend that yet another post of deputy defense minister be created for Matvey Burlakov, commander of the dismantled Western Group of Forces. Another part of the article was devoted to the conferment of the rank of lieutenant general on Valentin Panichev, current deputy general prosecutor and Russia's chief military prosecutor, who until then had the rank of reserve captain of justice.

The official reaction to the publication was instantaneous and fairly surprising. As early as the day after the article was published, by ordinance of Sergey Filatov, executive secretary Tengiz Borisov, who commented on the commission's stance on the Panichev case, was dismissed from the post of deputy directorate chief of the presidential administration's Federal State Service. Even though a fairly neutral phrasing was chosen for Borisov's dismissal—"in connection with his being sent to the Defense Ministry"—this does not change the crux of the matter. Borisov had to pay for deliberately interfering in the personnel game of Kremlin heavyweights.

Another factor in his dismissal was the fact that the commission under Yuriy Baturin has long been a thorn in the side of the chiefs of a number of power ministries. Virtually as soon as it was set up, a letter was sent to the president, saying that the emergence of such a body "infringes on the rights of the Russian Federation president, the Russian Federation defense minister, other ministers, and chiefs of agencies in which military service is envisioned...," whereas the commission's activity

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"undermines the authority of commanders (chiefs), commissions on qualification assessment, and military councils." Apart from Pavel Grachev, the letter was signed by Andrey Nikolayev, commander in chief of the Russian Federation Border Troops; Yevgeniy Primakov, director of the Russian Federation Foreign Intelligence Service; Sergey Stepashin, chief of the Federal Counterintelligence Service; A. Starovoytov, head of the Federal Agency of Government Communications and Information; and Sergey Shoygu, minister for affairs of civil defense, emergency situations, and the elimination of effects of natural disasters. The document found its way to Yuriy Baturin, and after the latter's explanations to the effect that the commission's main objective is to see to it that one personnel decision or another is in line with current legislation and thus cannot in any way encroach on the rights of the ministers, let alone the president, most chiefs of the above agencies withdrew their signatures. Except for two men: Pavel Grachev and Sergey Shoygu. While the former's persistence is quite explicable—our country's defense ministers have traditionally gotten used to treating their home ministry as their private domain where they can do what they want—one should dwell in more detail on the reasons for Sergey Shoygu's insistence on the abolition of the commission.

Shoygu's committee on emergency situations was converted into a ministry in January 1994—almost simultaneously with the setting up of Baturin's commission. The Emergency Situations Ministry's "request," which was submitted after the reorganization, called for as many as 122 ranks of general to be allotted to the agency, including 9 colonel generals, 33 lieutenant generals, 76 major generals, and 4 rear admirals. For himself, the young minister modestly asked for the rank of army general. Naturally, Shoygu had every reason to oppose the emergence of such a commission—it was unlikely to accept the ministry's payroll that had more generals than many a fair-sized army. This is what actually happened: The Emergency Situations Ministry's "estimates" were cut down, and the minister himself had to put up with a much lower rank—that of major general.

In any case, Yuriy Baturin's commission could operate in a relatively independent manner for just six months. It did so until its executive secretary revealed the methods by which some high-ranking officials headed by acting General Prosecutor Aleksey Ilyushenko were pushing their men upward. Borisov could not be forgiven for washing dirty linen in public, which caused the emergence of ordinance No. 486 at the end of September. Curiously, this time too, as was the case with Burlakov and Panichev, and also with Borisov's dismissal from the post of first deputy directorate chief right after NEZAVISIMAYA GAZETA's publication, everything was done in Yuriy Baturin's absence. The commission chief accompanied Boris Yeltsin to the United States, and did not know anything about the ordinance on 23 September, even though it was signed a day earlier.

Among other things, there are "educational" objectives that are clearly discernible in the Borisov case. To all appearances, the demonstrative dismissal of an official who tried as hard he could to prevent decisionmaking in defiance of a procedure established by the president, in Sergey Filatov's view, was designed to show those still in doubt "who's the boss" and to avoid similar incidents in the future: hardly anyone on Staraya Square would want to share the fate of those fired. As for the Commission on Top Military and Special Ranks, from now on its functions will apparently be reduced to rubber-stamping documents sent to it for approval.

It is worth noting in this regard that the Commission on Top Military and Special Ranks was effectively the sole really operational body within the president's Council for Personnel Policy. Initially it was planned that the council would also include a foreign affairs commission to consider the candidatures of prospective ambassadors, and also a judicial commission to deal with justice personnel matters. Neither of them has commenced its work, however, and, to all appearances, will never do so because the Foreign Ministry and a number of other agencies actively oppose them. For this reason, the question arises as to whether the presidential administration needs the aforementioned council as part of its structure—an organization devoid of any authority or the possibility to influence personnel changes. All the more so because the operation of this body, which has effectively been grounded, has been supported by the formidable directorate of the Federal State Service with a payroll of 45 people.

These goings-on could have been dismissed as family squabbles inside the presidential team, which, as any other team, tends to be formed not only according to professional and moral qualities, but also by the degree of personal loyalty: for Borisov, as for A. Kazannik before him, the former two took precedence over the latter. This could have been done had the emergence of this story not shown that complaints heard time and again from the Kremlin leadership about emerging presidential edicts that are raw in legal terms, as well as the promise to close the back door through which they find their way onto Boris Yeltsin's desk, are nothing more than a tactical trick aimed at shielding their fairly obvious authors from responsibility for their emergence.

Still, despite Tengiz Borisov's dismissal, the story of the scandalous promotion of Matvey Burlakov, former commander of the former Western Group of Forces, and what the commission saw as the illegitimate conferment of the rank of general on the chief military prosecutor can hardly be considered closed. The parliament, back from its recess, decided to devote one of its hearings to the subject of corruption in the Group of Forces in Germany. It can hardly be discussed, however, without mentioning the names of Matvey Burlakov, Valentin Panichev, and Aleksey Ilyushenko. For this reason, it is quite possible that the Borisov "case" could resurface, but this time at the State Duma.

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Parliament Returning in Relative Stability

MM1010142494 Moscow KRASNAYA ZVEZDA in Russian 8 Oct 94 p 2

[Article under "Topic of the Week" rubric by commentator Aleksandr Golts: "Happy New Political Year to You! May There Be Less Politicking in It"]

[FBIS Translated Text] Do you remember the anecdote from Soviet times when an emigre is asked why he left the home of "developed socialism"? There were too many holidays, he answers; if you get some sausage it's a holiday, if you manage to buy some boots it's a holiday. You do not need to search around for sausage or boots nowadays (as for the money to pay for them, that's another matter). But the ordinary Russian clearly is infuriated by the abundance of political holidays. This is now the second time in the past 10 months that we have been asked to greet the advent of a new political year.

In December, you will recall, they wanted to proclaim the beginning of the new year itself (for which read new era) right after the elections. But the wrong people were elected so the holiday did not take place. The new political year that we are greeting this week began with the events of October 1993. It probably does make sense to look back right now, to sum up the results, and to try to understand the country's urgent problems and ways of resolving them. But is it right to start counting a new year from a moment when Russia was on the brink of civil war? We need fewer milestones of that kind and less of the politicking that brought us to the brink of the abyss last year.

Especially since the whole country really does long for stability and certainty. That is confirmed once more by the fact that the organizers of the various demonstrations and protest actions, who were preparing what was essentially a kind of gala performance this week, failed to muster the number of participants they were counting on. It is not rally fever that the people expect from the leaders of all the branches of power, parties, and social organizations but normal hard work to fix Russia's system, as it is called nowadays.

Clearly the president, who consciously sought to hold his recent conversation with journalists in a constructive vein, is aware of the people's will in this regard. Boris Yeltsin deliberately avoided the questions which would have prompted him into making confrontational statements. And there is no denying that we do have at least several real achievements when it comes to ensuring lasting civil peace. First and foremost, the country is no longer threatened by the Federation's disintegration. That danger was very great, moreover—the example of Chechnya is there for all to see.

Another evident achievement is the fact that, for all its obvious imperfections, Russia's state system has made it possible to establish dialogue among political forces which a year ago were on opposite sides of the barricades. I believe that the fact that the whole spectrum of views and orientations is represented in parliament has played a considerable role in ensuring political stability. No matter how difficult the work of parliament became, it still did not develop into a face-to-face confrontation. Especially since, to judge from its leaders' statements, our parliament is also aware that constructive work is urgently needed (the need to examine 40 priority draft laws is self-evident).

In this connection I do not really share the alarm of some of my colleagues over the possibility of some members of the opposition entering the government. After all, it is a fact that what our politicians have in common is first and foremost personal ambition and only secondly conviction. That the personality factor plays such an important role, of course, is not evidence of a mature democracy. But that is how things are. The State Duma is headed by a calm and resolute man who does not hide his convictions but at the same time is open to constructive cooperation for the good of the country—and the dialogue between the executive and the legislature has become a stabilizing factor. I concede that there are highly professional administrators to be found among the opposition's ranks too. Remember how people groaned when Viktor Chernomyrdin became premier. He was seen as the grave digger of the reforms. However, he has proved to be a far more effective reformer than his predecessor—which I suspect is due to his professionalism and experience.

Thus I do not think that we can expect a threat to the reforms from cadre changes in the government team or the president's team. Especially since in the present conditions what is expected of them is not political debate but work. Work on the many acute problems. Work to organize a system favorable to Russian and foreign investors, because only then can we start to find a way out of the crisis. Work to establish basic order in the financial market. And work on the long-urgent restructuring of industry. In short, work on all those matters which Boris Yeltsin called the "toughening up of the reforms," work designed to ensure that the result of this toughening up is not to make life worse for people whose life is already difficult, as happened in the recent past.

I even think that the main cause of alarm is not the danger of confrontation between the government and the opposition. The existing stability does not produce the conditions necessary for that. The problem is that the authorities themselves are not entirely right in their interpretation of the stability that exists right now. And that is a cause of the most profound disappointment to politicians and politickers alike. To everyone at the same time. This is a kind of bad hangover from the rally binge of recent years. And, of course, this hangover is better than the kind of drinking spree during which blood can also flow, according to the Russian tradition.

But the progress of the reforms requires more than just an indifference created by a permanent headache. After

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all, what the authorities need now that the reforms are moving toward a fundamentally new level and the scope for direct state intervention in the economy is being reduced is not inert bystanders but conscious supporters. However, people will only become conscious supporters when they really feel that the authorities whom they have elected are serving them. For the time being those authorities have suddenly begun to "emit a bronze aura." If they do look around themselves at all it is only to find a suitable pedestal. The servant of the people is the last thing that they regard themselves as. You do not have to look far for examples of overt arrogance and ostentatious indifference to public opinion on the part of leaders great and small.

And as always happens in such cases, court intrigues and the struggle of personal ambitions flourish in these conditions. Did we not see all those things this week amid the rumors of conflicts between the president's aides followed by explanations that were barely intelligible? But Russia, as the president stressed, "expects joint work from us, not disputes." When that happens I hope that political new years in the future will start not from the next abrupt historic change but from something entirely mundane. Something like the economic growth percentages.

Counterintelligence Forms Antihijacking Section

LD0810144694 Moscow INTERFAX in English 1420 GMT 8 Oct 94

[FBIS Transcribed Text] The Federal Counterintelligence Service has formed an anti-hijacking department. Which is led, according to the service's chief Sergei Stepashin, by Dmitriy Gerasimov, the former commander of the task force Vympel.

Formed in keeping with a decree signed by President Yeltsin, the department is assigned for some other tasks in addition to anti- hijacking activity. However, Stepashin declined to report the details.

He revealed that the department employs more than 150 former Vympel officers and has operational branches in Krasnodar, Yekaterinburg, St. Petersburg, and Moscow.

Decree on Founding of Publishing Concern

MM1010085794 Moscow ROSSIYSKAYA GAZETA in Russian 8 Oct 94 p 1

[Russian Federation Government decree No. 1132, dated 6 October 1994 and signed by Russian Federation Government Chairman V. Chernomyrdin: "On the Founding of 'ROSSIYSKAYA GAZETA Information and Publishing Concern' Joint-Stock Company"]

[FBIS Translated Text] With a view to improving the availability of information to the population on the course of political and socioeconomic reforms in Russia and reducing the [state] budget finance contribution toward the production and publication of the newspaper ROSSIYSKAYA GAZETA and its supplements, the Russian Federation Government decrees:

1. To adopt the proposal by the editorial board of the newspaper ROSSIYSKAYA GAZETA to create the "ROSSIYSKAYA GAZETA Information and Publishing Concern" closed-type joint-stock company (hereinafter "the concern"), to be cofounded by the Russian Federation Government (ensuring that at least 51 percent of shares remain in federal ownership) and the editorial board of the newspaper ROSSIYSKAYA GAZETA, as well as by enterprises (joint-stock companies) participating directly in the preparation and publication of the newspaper ROSSIYSKAYA GAZETA, as listed in the appendix [appendix not published].

2. To instruct the editorial board of the newspaper ROSSIYSKAYA GAZETA to draft the concern's incorporation documents and to submit them for approval according to established procedures.

3. The Russian Federation State Committee for the Management of State Property is to transfer to the editorial board of the newspaper ROSSIYSKAYA GAZETA, according to established procedure, the day-to-day management of the fifth, ninth, tenth, and twelfth storeys of the editorial block situated at No. 24 Pravda Street for specified purposes, including the provision of premises for the concern.

[signed] Russian Federation Government Chairman V. Chernomyrdin

Economic Issues

Chernomyrdin Discusses 1995 Budget With Top Officials

LD0910171994 Moscow ITAR-TASS World Service in Russian 1645 GMT 9 Oct 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[FBIS Translated Text] Sochi, 9 Oct—The draft Russian budget for 1995 was discussed today at a working meeting held in Sochi by Viktor Chernomyrdin, prime minister of the Russian Government.

The meeting was held behind closed doors. It is believed to have been attended by Deputy Prime Ministers Sergey Shakhray, Aleksandr Shokhin, and Aleksandr Zaveryukha, who arrived in Sochi on Sunday. Also here were Acting Finance Minister Sergey Dubinin, his deputies, and Viktor Gerashchenko, chairman of the Russian Central Bank.

Ruble Hits New Low Amid Fears of Rising Inflation

MS1110110394 London FINANCIAL TIMES in English 11 Oct 94 p 3

[Report by John Thornhill: "Policy Fears Push Rouble to New Low"]

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[FBIS Transcribed Text] Moscow—The rouble fell a further 6 per cent against the dollar yesterday crashing through the 3,000 barrier on fears of rising inflation and deteriorating government finances.

The government reacted calmly to the fall to 3,081 from Friday's close of 2,896, and traders said there was no intervention by the central bank. Markets are awaiting the outcome of ministerial negotiations on the Russian budget, expected to be presented to parliament during the present session.

Mr Victor Gerashchenko, the central bank chairman, said there were still sufficient reserves to control the currency's fluctuations, even though the bank had spent $2bn (1.2bn pounds) in the past few months to support the rouble.

But a bank spokesman yesterday blamed the rouble's fall, which has been accelerating over the year, on speculative trading, and said reserves would not be wasted on fruitless intervention. "We do not want to help market speculators," he said.

Russia's acting finance minister, Mr Sergey Dubinin, attempting to calm markets, said the drop was not justified by economic conditions. "There will be no sharp rise in inflation because objectively all money supply indicators rule this out. There will soon be equilibrium, the market will stabilise, inflation and the dollar rate will move in parallel," he said.

The turmoil in the currency market will make it more difficult and expensive for the government to raise money in the Russian Treasury bill market, which will be much on the government's mind as it finalises the 1995 budget.

Over the weekend, ministers flew to the holiday home of Mr Victor Chernomyrdin, the prime minister, at the Black Sea resort of Sochi to try to settle the outstanding issues. The details of the budget will be critical for the confidence of the currency market when they are presented to the parliament next week.

Currency traders said the inaction of the bank and the lack of a government policy statement were exacerbating the situation. "We expect the devaluation to continue—possibly to 3,300 to the dollar this week—unless some drastic measures are taken by the government," one trader said.

The rouble's fall is damaging the government's domestic economic credibility as the queues lengthen outside currency exchange points and the rising price of imported goods hurts Russian consumers. The relative stability of the currency throughout the summer had led to a marked increase in savings and a growing belief in a more stable economy.

Trading on the Moscow Interbank Currency Exchange, with only thin liquidity, has proved highly volatile, with even small trades having a big impact on the rouble's value. But the rouble's fall has been on an accelerating trend. In July it had fallen 3.1 per cent against the dollar; in August, 4.5 per cent; in September, 17.8 per cent; and in the first few days of October 16.5 per cent. Since the start of the year the rouble has fallen from 1,247 to 3,081 against the dollar.

Some correction to the rouble exchange rate was perhaps inevitable this autumn, given the recent rise in the inflation rate.

The lower rouble may provide temporary relief to Russian industry and should particularly help the energy sector, which has been badly hit by the accumulation of inter-enterprise debts. The hard currency earnings of oil and gas companies will now be worth considerably more when translated back into roubles, helping to ease the sector's cash flow problems.

Causes, Impact of Ruble's Fall Examined

MM1110121594 Moscow ROSSIYSKAYA GAZETA in Russian 11 Oct 94 p 1

[Article by Aleksandr Velichenkov: "Why Dollar Is Rising. Combination of Several Factors Reveals New Situation in Financial System"]

[FBIS Translated Text] The rise in the dollar on the Moscow Interbank Currency Exchange over the past two weeks—a rise without precedent this year—has revealed a new situation in the financial system.

The surge occurred against the backdrop of the following circumstances—unprecedented 500-600-percent growth in defaulting in June-September; the subsequent emergence of a "financial hole" in the budget to the tune of 40-45 trillion rubles [R] as a result of tax arrears on the turnover affected by defaulting; a steady lead for inflation (197 percent in January-September) over the rise of the dollar (up 168 percent over the same period); and Russia's stable positive foreign trade balance in the current year, which has led to the formation of volumes of foreign currency of at least $25-30 billion steadily passing through the banks (not including cash).

Certain parameters of this economic "mix" have already been encountered—the defaulting in the first half of 1992; the dollar "sticking" at R1,100-1,200 and inflation at 10-12 percent a month; the collapse of the ruble in January this year. But this is the first time that the Russian economy has encountered them simultaneously.

There are weighty grounds for believing that the Finance Ministry and the State Tax Service have a definite attitude toward the foreign exchange panic on the Moscow Interbank Currency Exchange, because the beginning of it—the last week of the quarter—was a very convenient time for making the holders of foreign currency accounts "cough up" in paying the tax on their exchange rate gains when they submitted their accounting documents for the previous quarter. In practice the budget could receive R3.5-5 trillion in this way.

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This, of course, is not a solution to the problem of the nonpayment of taxes to the budget, but it is very accessible, easily controlled, and comes with a guarantee of extra funds.

The organizers of this situation hardly thought that their actions would trigger a panic, but that was indeed the reaction of the Moscow Interbank Currency Exchange, where on certain days over the past week demand exceeded supply five- or six-fold.

It is now necessary to get to grips with the reason for this reaction on the foreign exchanges and, first and foremost, with where this effective demand came from, when almost R1 trillion was being offered on the Moscow Interbank Currency Exchange simultaneously. In our view, there are two reasons. The first is that firms and enterprises have available funds that have built up as a result of the actual operations underlying their nonpayments [operatsiy, oformlennykh neplatezhami] and on which no tax has been paid. The second is the general understanding that, in the context of the emergence of a "financial hole" as a means of defaulting, the government has no option for covering its budget expenditure than to print money. The consequences of this will be another surge in inflation, and this means that we will have to salvage what we have already accumulated.

In issue No. 1 of BIZNES V ROSSII we stated that the delay in solving the defaulting problem would inexorably bring us nearer to another explosion of inflation irrespective of whether the government and the Central Bank decide to permit the mutual offsetting of debts [vzaimoraschet] or not. It transpired that confirmation of these conclusions was not very long in coming. The summer explosion of defaulting has created a critical mass of hot money that has not been taxed and has now been switched to the Moscow Interbank Currency Exchange in the expectation of an inflationary rise in the dollar rate.

To all intents and purposes we are now seeing the formation of a medium-term trend which will be very hard to stop, since all the financial prescriptions are good only for the symptoms of the disease—chief among which is inflation in all its forms. We need to treat the actual disease of defaulting—which is provoking inflation, either through the mutual offsetting of debts or with the help of "financial holes" in the budget.

The last fact and the defaulting situation lead us to the fairly obvious conclusion that turnover taxes [oborotnyye nalogi] on labor and capital are inefficient. Current economic practice graphically demonstrates the possibility of gigantic tax evasion. The tax reform that is in preparation is to all intents and purposes already going down the road of making it necessary to tax incomes which cannot be hidden—including pensions and grants. The real-life situation suggests that if this logic is followed, we will need to go further and switch the bulk of taxes to those elements of the economic system which cannot be hidden—primarily, land, real estate, and primary resources—while retreating wholesale from turnover taxes on labor and capital which, as practice shows, are not so easy to levy. This model theoretically contains no contradictions and has been developed in some detail—after all, it is all just a question of a determination to implement it. This step will make it possible to ignore the defaulting problem in general, since only the horizontal component of it will remain. And the threat of bankruptcy for enterprises will proceed mainly from tax organs in the event of their not being paid what is due to them. Which accounts an enterprise uses to withdraw its funds—foreign accounts, accounts with domestic firms, deposits, or accounts at other banks—will be of no importance to the treasury. The logic will be simple and fair—if you do not pay your taxes it will mean that you cannot conduct business at a minimum level of profitability, and, consequently, you are bankrupt. I do not think that many enterprise leaders will agree to that prospect.

Meanwhile, last Friday President Boris Yeltsin received Vladimir Gusev, leader of the State Tax Service. The meeting went virtually unnoticed by the mass media. It is quite obvious that they talked about the very severe situation on the revenue side of the federal budget. Given that last weekend Viktor Chernomyrdin, who was vacationing, gathered all his economic deputies together in Sochi to discuss the same thing as was discussed in the Kremlin, it is quite likely that the government will most probably be trying to take extraordinary measures. Judging by everything, these will be formulated in a package of tax edicts to execute the 1994 budget.

But every cloud has a silver lining, so the proverb goes. It is quite obvious that the foreign exchange panic on the Moscow Interbank Currency Exchange will result in a further improvement in Russia's balance of trade, since it increases our export efficiency and makes imports less profitable. Amid our heaps of economic problems we can at least take comfort from this.

Gerashchenko Says Central Bank in Control of Ruble Fall

LD1010105094 Moscow ITAR-TASS World Service in Russian 0956 GMT 10 Oct 94

[By BUSINESS-TASS correspondent Robert Serebrennikov]

[FBIS Translated Text] Moscow, 10 Oct—Despite the continued fall of the ruble against the dollar, Russian Central Bank Chairman Viktor Gerashchenko says that the Russian Central Bank has sufficient foreign currency reserves to control the vacillation in the ruble-dollar exchange rate.

In an interview to the BUSINESS-TASS correspondent, he said that over the last two or three months the Russian Central Bank has spent "approximately $2 billion" intervening on the foreign currency exchange in order to support the ruble.

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Asked what currency reserves the Russian Central Bank still has at its disposal, Viktor Gerashchenko laconically replied: "Lots." The currency reserves in the Central Bank safes are evidently allowing Russia's chief banker to maintain his calm during a period when the mass media are writing in great alarm about the accelerating slide of the ruble against the dollar.

As has already been reported, the dollar strengthened abruptly against the ruble today, by 185 to 3,081 rubles to the dollar.

Business circles regard the breaking of the 3,000-ruble barrier as evidence of a deliberate policy to raise the profitability of exports and restrain imports, with the aim of giving Russian industry some effective assistance. The alternative would have to be the extremely unpopular measure of increasing import duties, whereas now the increase in protectionism can be written off as market dictated objective reality. The support thus given to Russian enterprises, business circles reckon, will enable them to improve their financial position, and in part resolve the problem of non-payments, a problem which could further aggravate social tension. However, for the moment it remains unclear how people will receive the inevitable increase in prices of imported goods, especially in the food produce market, which Russian suppliers are unlikely to be able to fully supply themselves.

Gerashchenko, Chubays Differ on Foreign Currency

LD0710183594 Moscow Russian Television Network in Russian 1300 GMT 7 Oct 94

[Video report by correspondent N. Gostiyeva; from the "Vesti" newscast]

[FBIS Translated Text] At a meeting today of plenipotentiary representatives of the Russian president with subjects of the Federation, the heads of two leading economic departments, Viktor Gerashchenko and Anatoliy Chubays, diametrically differed in their assessment of the situation on the foreign currency market. The Central Bank chairman did not deny that the headlong drop of the ruble exchange rate is the result of a deliberate policy. The dollar should have been hoisted long ago to match the pace of inflation. Secondly, a traditional and perhaps decisive factor is the interests of exporters: After all, their ruble profits depend directly on a strong dollar on the Russian market.

But Anatoliy Chubays, chairman of the State Committee for Management of State Property, proved to be in quite a different mood. In his view, the foreign currency fever has been caused by a printing press that had started operating too vigorously. This threatens a new inflationary upsurge and calls into question the financial stabilization that has become discernible.

[Begin Chubays recording] The result depends directly on us. Taking the path of direct injections of money into the economy, the exchange rate will rocket and interest rates will rocket in its wake, and inflation will follow. [end recording]

Acting Finance Minister Sees Dollar Overvalued

MM1110083594 Moscow IZVESTIYA in Russian 11 Oct 94 p 2

[Report by Ivan Zhagel incorporating an interview with Acting Finance Minister Sergey Dubinin by Mikhail Berger; date and place not given: "Ruble Dancing and Prices Dancing"]

[FBIS Translated Text] Foreign exchange market experts continue to claim that everything points toward a rapid stabilization in the ruble situation.

Such forecasts are prompted, above all, by the patent exhaustion of ruble resources, which is clear even from the considerably increased time taken to remit money and from the sharply increased rates for ruble loans. On the other hand, the protracted fall in the rate shows yet again that it is easy for the financial market to move sharply, but that it is very hard to stop speculation. And there is no doubt that it is primarily the government that has been and continues to be the cause of the market imbalance.

The government has done the bidding of the military-industrial complex, other major enterprises, and the agrarian lobby, giving them more and more loans of late, even though the monitoring of the use of the loans continues to be done at the lowest level (incidentally, this will be the third year running that we have experienced a sharp fall in the ruble in late September-early October).

The government is also responsible, certain experts assume, for the Central Bank decision to ease its influence on the ruble rate in order to reveal its real value, and for the fact that its foreign reserves are exhausted. But the specific figures show the opposite. In the last week alone the Central Bank has thrown around $500 million into the market—which constitutes the overwhelming proportion of all the hard currency sold on the exchange. And the situation was roughly the same the preceding week. In other words, the Central Bank is making every effort to correct the government's mistake.

Just what has the government achieved through issuing the money—increased production and lower prices? No, the requirement for huge amounts of money for foreign exchange speculation has pushed up lending rates on the interbank market, and this can in no way promote production growth. And there is no doubt that prices for all goods—particularly imports—will increase with the fall of the ruble.

The government itself has suffered too. On 4 October it held the latest state short-term bond auction, the money from which is used to paper over cracks in the budget. Out of the 1 trillion rubles [R] worth of securities on offer only R434 billion were placed. The fall in demand

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for state bonds is due to the fact that it is now far more profitable to engage in foreign exchange operations.

Sergey Dubinin: Dollar Clearly Overpriced

In an interview with IZVESTIYA's Mikhail Berger, Acting Finance Minister Sergey Dubinin made the following comments on the dollar breaking through the R3,000 mark:

[Dubinin] The rise in the rate in September-October came as no surprise to the government and is not a disaster for the economy. The dollar is influenced by seasonal fluctuations whose consequences we foresaw to a certain extent.

In late July-early August the Central Bank was funding major budget expenditure—seasonal shipments to the North, agricultural work, and other state needs. R13 trillion in all. That is a huge sum, and its appearance in the economy could not fail to influence the dollar and the inflation rate. At the same time, it was difficult to expect that the current fluctuations would be so sharp.

The rate was influenced by increased inflationary expectations linked with rumors about a change in economic policy. The situation on the foreign exchange market was also influenced by the fact that a large group of banks and financial institutions have been earning excessive profits from the fall of the ruble. They are taking out huge one-day loans at 700-percent interest and speculating on a fall in the ruble. But I believe that the trends on the foreign exchanges could go into reverse, and then the ruin of such players will be inevitable. The fact that the rate is artificially high is shown if only by the fact that a number of banks are unable to buy back foreign currency in deals struck in the market. Approximately R200 billion in foreign currency has not been bought back [ostayetsya ne vykuplennoy]. I am confident that inflation will not exceed 10 percent in October and will be no more than 7 percent in November-December—in other words, it will remain within the framework of the indicators cited in the Central Bank and government joint statement on economic policy in 1994.

Dubinin Reports Consensus on 'Tough Budget Economy'

LD1010215994 Moscow ITAR-TASS in English 2131 GMT 10 Oct 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow October 11 TASS—The panic provoked by some banks in the currency market can entail growth of the inflation to a monthly ten percent, Russian Acting Finance Minister Sergey Dubinin predicted on Monday.

The government "did not and won't back away a step from its moderately austere fiscal policy aimed at preventing the rouble from devaluation, Dubinin said in an interview with ITAR-TASS. Moreover, the cabinet "has reached consensus" on pursuing its policy of tough budget economy, an important event before discussion of the draft budget for 1995 by the government, Dubinin said.

Dubinin did not disclose details of the recent closed doors budget discussion by government members and Prime Minister Viktor Chernomyrdin in Sochi. He said, however, that means for inflation containment to an average monthly of 1-1.5 percent were proposed to cabinet leaders.

As concerns the dollar's rapid growth over the recent days, it certainly relates to the market game, the acting finance minister believes. According to Finance Ministry's estimates, the rouble's actual rate must be 2,900 per dollar today, Dubinin pointed out. The open game is indicated by the behaviour of some banks during the bidding. Actively pressing the dollar rate up, they however prove unable to pay at high rates.

Experts have recently cited several reasons for the dollar's climbing: the activity of the Central Bank which wants to support state-owned enterprises, the market's response to credits which the government shares out to selected sectors and collapse of Russian trust companies like "MMM" and "Russian House Selenga". The latter accumulate the roubles of the Russians, who invest by buying the foreign currency after losing the hope of getting hefty dividends they were promised.

It is obvious, Dubinin said, that the government's recent decision to pay debts to all budget organisations by the end of the year does not account for the market developments. Means for it are being searched in non-inflationary sources, he stressed.

Dollar 'Overvalued'; No Sharp Inflation Expected

LD1010212894 Moscow Russian Television Network in Russian 1700 GMT 10 Oct 94

[Report on news conference held by Sergey Dubinin, acting finance minister, including recorded remarks by Dubinin; from the "Vesti" newscast]

[FBIS Translated Text] [Dubinin] What has happened is that a commodity which is in great demand—that is, the dollar—has been overvalued. We—that is, the currency exchange— have already come across the fact that a whole number of banks concluded deals for which they were unable to pay. As a result, four banks have already been expelled from the currency exchange. Those who want to take risks gambling, and then find themselves in the situation in which shareholders in the MMM have found themselves, have the right to do so.

[Announcer] There are no objective economic reasons for a new leap in inflation or stock-jobbing, Dubinin believes. After all, the injections of money into the economy effectively ended in the middle of August.

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[Dubinin] There will be no sharp inflation rise. It just cannot happen objectively. All the money supply indices show that there can be no leap in inflation. A fresh equilibrium will soon be achieved. The market will stabilize. Inflation and the dollar rate rises will move alongside each other.

Energy Prices Increase 2.5 Percent, Inflation 7.7 Percent

LD1010214494 Moscow INTERFAX in English 1922 GMT 10 Oct 94

[FBIS Transcribed Text] The wholesale fuel prices increased by 2.5 percent while inflation increased by 7.7 percent in September.

According to the Market Research Center of the Russian government, the oil product prices increased by 4.5 percent, prices of mineral fuel by 2 percent and energy tariffs, by 2.2 percent.

In particular, coal prices increased by an average of 10 percent. The Center experts say that the northern coalfield increased the prices by 20 percent and Western Siberia by 13 percent. The coke prices increased during the month by an average of 15 percent and amounted to 35,000 rubles per tonne while in the northern coalfield, by 25 percent, to 52,000 rubles per tonne. In Western Siberia a tonne of coke sold at 29,000 per tonne.

The growth of crude oil prices tended to slow down. One tonne of crude sold at 77,000 rubles, a growth of a mere 0.2 percent.

The price of natural gas increased by 1.5 percent to 6400 rubles per 1000 cubic meters but in the Far East the increase was 72 percent, to 25,000 rubles per 1000 cubic meters.

The growth of energy tariffs slowed down to 2.2 percent. Energy sold in Russia at an average rate of 53,000 rubles per 1000 kWh but in the Far East the growth was 10.7 percent and the price 69,000 per 1000 kWh. In the Northern Caucasus the energy tariffs increased by 8.9 percent.

Energy was the cheapest in Eastern Siberia, 26,000 rubles per 1000 kWh.

Statistics Committee Reports Drop in Industrial Output

LD1010214694 Moscow INTERFAX in English 1922 GMT 10 Oct 94

[FBIS Transcribed Text] From January to September 1994, Russia's gross domestic product shrunk by 16 percent against the same period last year, while its industrial output went down by 23.1 percent, the State Statistics Committee told Interfax Monday. A year ago, the figures were 13 percent and 14.8 percent respectively.

In September, the industrial output exceeded August's level by 6 percent, though actually it declined by 2 percent, if we take into account the seasonal factor.

The production of oil went down by 0.5 percent, gasoline by 6 percent, cast iron by 4 percent, rolled stock by 12 percent and cars by 6 percent. At the same time, the production of tractors in September compared to August increased by 60 percent, railroad cars by 41 percent, fabrics by 16 percent, footwear by 26 percent, mineral fertilizers by 10 percent and electricity by 8 percent.

Since the beginning of the year, oil output has amounted to 227 million tonnes, a decline by 12 percent against the same period in 1993. The volume of natural gas produced has declined by 2 percent to 446 billion cubic meters.

According to the committee, people's real incomes went up by 14 percent against last year, while the average salary increased by 9 percent in September to reach 190,500 rubles against the inflation rate of 8 percent. The unemployment rate grew by 2.2 percent, while the retail turnover remained stable.

Labor Minister Explains Wage Control Edict

MM0710103194 Moscow ROSSIYSKAYA GAZETA in Russian 6 Oct 94 pp 1,2

[Interview with Labor Minister Gennadiy Melikyan by Lyubov Volkova under the rubric "At First Hand"; date, place not given: "Wealth and Glory for Some, Dirty Dishwater for Others.... Gennadiy Melikyan, Russian Federation Minister of Labor, Speaks About the Draft Edict of the President on Freezing Earnings"]

[FBIS Translated Text] [Volkova] It is claimed that the prepared document has generated major differences of opinion in the government and that the edict, in defiance of the statute, was prepared not by the Russian Federation Ministry of Labor but by the Ministry of Finance and the services of the Russian president. What is really happening? And what is the thrust of the edict?

"I do not think," the minister said, "that anyone in the government is opposed to the edict. When the problems connected with the implementation of the edict were being discussed, Professor Yasin—leader of the analytical center under the president—gave a speech, and he said that the article in IZVESTIYA reflects the personal viewpoint, the personal stance of Aleksandr Livshits, leader of the president's group of experts. And Yasin does not agree with this stance. He believes that the proposals on linking the consumption fund to the arrears in payments are entirely justified.

"But after that, our wages department received a call and was asked: Did you take part in the edict on the wage freeze? It so happened that an ordinary staffer answered, who said: It's the first I've heard of the Ministry of Labor introducing a proposal on freezing wages. The following conclusion was reached: Since the Ministry of Labor was

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hearing about the edict "for the first time" and the Ministry of Finance stated at the government sitting that it elaborated it, then the Ministry of Finance and the President's Staff formed the edict. Also, I got the impression that Livshits was not reading the version of the edict which the president was to sign. Because the tough way he spoke in the newspaper does not correspond to the content of the edict. It is possible that he was reading one of the drafts, and there are about 10 of them going around at the moment which bear no relation to the edict.

"The edict was presented in a completely different interpretation. The way it has been presented in a number of newspapers and on television, it really is abnormal."

[Volkova] What is the essence of the president's edict?

[Melikyan] The edict is short, it is only one-and-a-half pages long, or even less. The main point, which practically no one has paid any attention to—either deliberately or it has just turned out that way—gives a concession to enterprises in terms of taxation of the consumption fund. What does it announce? Enterprises which, first of all, do not have arrears with the payment of wages to their workers, and second, those which may have arrears with payments to their suppliers, banks, and so on, but at least are not increasing them, will receive the concession. That is, only two conditions. The concession is as follows: The nonregulated wage element in the prime cost will total eight times the minimum wage in such enterprises, rather than six. It was proposed that the president should adopt this decision in respect of the resources which the enterprises contribute to the Federation budget. If the prime cost increases, then naturally the amount of taxable profit decreases. That is, we are actually decreasing the tax liability. According to calculations, this adds an extra 11 percent to average earnings at enterprises. It is also being proposed to extend this measure to the taxation of money coming into the budgets of Federation components. Therefore, in the second point of the edict the president makes a recommendation to Federation components to adopt analogous decisions.

Yes, the the edict does contain a measure which introduces a certain strictness. If everything in your enterprise is normal and there are no arrears, then fine, you can have 1 million rubles [R] as the average wage. But if you have an average level of wages over R300,000 (without taking into consideration regional coefficients, northern increments, and so on) and at the same time you increase the overdue arrears to all your contractors, then we will implement the regulation on wage dynamics.

For example, agricultural enterprises supply output to processers, and these sell the output but do not settle their accounts with enterprises. In that case, we say: Dear friend, your wages should not exceed 0.7 percent for each 1 percent of the rise in prices. It is only in that case that we will introduce a strict measure. And that, you know, is a super-lenient option. When all of the East European countries introduced regulations on earnings—you could not exceed the dynamics of the rise in prices—they imposed stiff fines which approached 700 percent.

[Volkova] What is your assessment of the situation which currently prevails as regards wages? What is your prediction for the end of the year?

[Melikyan] The main problems of the day are employment and the payment of wages. If you conduct an analysis of workers' demands, the conclusion is completely clear. Today almost no one is demanding a wage increase. Everyone is demanding that wages be paid on time. Let me cite some figures: Today arrears in the payment of wages in the non-budget-funded sector are approximately R4 trillion. In the past month the number of enterprises which are not paying out wages on time fell somewhat. But the overall sum of arrears is continuing to grow. The picture varies a great deal from sector to sector. For example, in industry even the total has decreased by 2 percent. At the same time in agriculture, for example, the huge debt is continuing to grow. The trouble is that money does not filter through into agriculture. Trade receives some earnings, and they also partially reach the processing enterprises, but they hardly get through to the countryside at all. Hence the problem of the nonpayment of wages.

As for the budget-funded sphere, then here a significant proportion of the blame for the late payment of wages lies at the state's door. A week ago this question was specially examined by the government, and indeed it was examined very strictly. The debt in terms of wages in the budget-funded sphere currently totals R1.9 trillion. A significant part of this sum is accounted for by the social and cultural sphere, health protection, education, and culture. But the state's greatest arrears are to the Ministry of Defense, and partially to the Ministry of Internal Affairs and certain structures of that sort.

I must say that during the government sitting, the Ministry of Finance assumed a commitment to pay, during the fourth quarter, for the entire arrears in wages which emerged through the fault of the budget.

[Volkova] The unrest in labor collectives has in many respects been generated by the difficulties in the payment of wages. What can you say about the action of the independent trade unions scheduled for 27 October?

[Melikyan] They have created a coordinating committee for collective actions and are traveling around the regions and calling on their trade union organizations to display activeness and put forward demands to the government and the president (note: not the boards of enterprises) to solve the problem of the social sphere.

But to a great extent the Federation of Independent Trade Unions of Russia wants to make the action a political one rather than an economic one. The Moscow

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trade union functionaries, who were supported by trade union bureaucrats in the region, are making the situation critical.

Workings of Moscow Currency Market Explained

MM1010144594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7-10 Oct 94

[Article by Aleksandr Lyasko: "Central Bank Hung On to the Rate, Then It Dropped. Instructive Story of the Ruble's Fall"—from page III of the "Supermarket" section]

[FBIS Translated Text] Many citizens who regularly change rubles into and out of foreign currency can still recall the events of last fall, when the market ruble rate suddenly slumped by 125 rubles [R]. Exchange centers shut down their operations one after another, the few that remained open stopped buying "greenbacks" altogether and dragged their offer rate R300 higher than the market rate. And the confused people rushed around Moscow looking for speculators to unload their cash at whatever rate—with inflation at 10-15 percent a month, everyone had been turning their spare rubles into dollars, but nobody knew what to do with them after the disaster on the foreign exchanges.

That is not the case today. Over the past two weeks the history of the slow and predictable decline in the ruble rate has turned into the chronicle of a dive-bomber. Thursday 22 September—the dollar rises by R125. Wednesday 28 September—up another R155 on the previous day's close. The last act of the drama—Wednesday 5 October the dollar rises even more decisively, taking another 140 points out of our long-suffering Russian ruble. But so what. The U.S. dollar has passed the R2,800 mark, and our people are calm—they just grimace and translate the foreign exchange prices back into rubles.

Why this indifference? And shouldn't our people know a few things about the ruble rate to allow them to preserve their savings?

Where the Dollar Gets Ever-Greener

Despite the fact that not all our readers as yet have their own bank account, it will be useful for them to know how the changes in the ruble rate against convertible currency—changes which occasionally worry the masses—come about.

As you will have deduced already, it all happens at the Moscow Interbank Currency Exchange, where only commercial banks are allowed to trade, of course. Early in the morning on a working day they submit their tenders to buy or sell foreign currency. These tenders are in dollars—or, rather, in millions of dollars. Before trading starts the banks familiarize themselves with supply and demand. On the basis of this relationship some of the tenders may be withdrawn immediately—so as, for instance, not to buy foreign currency when there are clear indications of a major rise in the rate.

Then trading proper begins. Very often it ends straightaway—when supply and demand are approximately equal, and the rate is not going to shift appreciably. Then some of the banks will withdraw their sale or purchase tenders (depending on which there are more of) and the rate is fixed usually around the previous day's closing level. Sometimes the Central Bank itself (it takes part in trading on an equal basis with the other banks) supplies the requisite amount of dollars or rubles to achieve a balance.

But if, for instance, the number of those wishing to buy foreign currency is radically in excess of supply, yesterday's close—which was used as the starting point—is gradually changed at fixed intervals of, say, R5. And with each step the banks buying currency have a chance to withdraw their "surplus" bids so as not to pay too much for their convertible currency. When demand falls to the level of supply, the new rate is fixed.

The Central Bank, seeing that the balance is moving in favor of the ruble or the dollar, can keep its hands in its pockets, can release large amounts of foreign currency or rubles so as to prevent surges in the rate, or can organize a subtle game involving certain trusted commercial banks. It can so happen that the Central Bank can even counter the trend on the foreign exchanges.

Thus, on Friday 23 September, after falling to R2,460 the previous day, the Russian unit unexpectedly rose to R2,415 to the dollar. Why was this? It turned out that, falling rapidly, the ruble had overshot its equilibrium point, and the commercial banks saw that the dollar was overpriced and started selling dollars. Their thinking was that if they did not sell dollars at a high rate there and then, it would be too late and they would lose out when the rate fell. The Central Bank played along, buying up the dollars—$105 million worth, incidentally. The same thing happened Thursday 29 September—thanks to dollar intervention by the Central Bank, the fall of the Russian currency was halted, the ruble rose 35 points, and the dollar ignominiously took a back seat. And all these sacrifices were for the sake of a smooth and predictable change in the ruble rate against the hard currency.

But whatever tactics the Central Bank may adopt, there is one thing that it cannot do in real life—hold steady a ruble that is being constantly printed as cash and issued in the form of state soft loans.

Cheap Available Money

The willful decision of Russia's leaders in August alone resulted in R10 trillion being put into industry. These injections of money are usually formulated as targeted state loans from money that the government is intensively borrowing from the Central Bank. The state lending rate is 10 (ten) percent per annum [as published].

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In addition, the president's August edict defined the amount of targeted investment for the defense industry by the year's end—another R3.5 trillion at a quarter of the Central Bank rate (approximately 33 percent per annum). In order to make the picture clearer we should add in another R4.6 trillion in "country" money to buy grain for state stocks. Concessions to kolkhozes have been issued at one-third of the Central Bank rate (slightly over 40 percent).

The Central Bank simply has no mechanism for monitoring all the loans issued. According to some estimates, 30 percent of the money lent is simply switched to the speculative financial market by the recipient enterprises and their banks without any fuss. The former loans—now cheap available money—begin a Brownian motion between the three main homes for speculation in search of the biggest returns. The first home is interbank loans—rubles that the banks lend each other. The second home is state short-term bonds—on which the government promises to pay a fixed income. The government holds an auction to place each issue (for three or six months) of state short-term bonds. Whoever offers the lowest interest rate on the bonds (in other words, the most attractive terms for the treasury) will be the lucky winner. The third home for available rubles is foreign currency—which is what most working people dream about.

So, by mid-1994 inflation had fallen to 5 percent a month (180 percent a year under the "percentage for percentage" formula). At the same time, the Central Bank interest rate (at which it would part with its money) was 155 percent a year (July)—this meant that returns on interbank loans were approximately the same, and state short-term bonds could provide a return of no more than 165 percent. In other words, not one of these instruments of speculation even covered the losses from inflation. But against the dollar the ruble fell by a stable 4.5 percent a month (170 percent a year). Consequently, the greenback's attractions grew both as a result of a flight of rubles from unprofitable operations, and as a result of the issue of more and more Russian money in the form of cash and credit.

The government cannot do anything about this, just as you cannot pull yourself out a swamp by your own hair. The latest state short-term bond auction 20 September was able to tie up a bit over R1 trillion, but the money that was not taken up by the auction then poured into the foreign exchanges. The first collapse in the rate occurred two days later.

Savior Hiding in the Bushes

What about the Central Bank? Why does it not save the nation yet again from the bloody specter of universal dollarization again looming on the horizon, as it did a couple of years ago? For the simple reason, forgive me, that there is nothing to save us with. Over the spring and the start of the summer, when the ruble was still hanging on grimly, the Central Bank built up its stocks of the slightly weakened dollar to around 9 billion "greenbacks." Reserves have now dwindled to $5 billion, and half of this fall occurred in August-September. If the experts are to be believed, approximately R6 trillion in August rubles should mostly flood into the foreign exchange market. That represents $2.5 billion in additional hot demand. No Central Bank in its right mind would take on such a colossus.

It will prefer to wait and see what new equilibrium ruble-dollar rate emerges after the new injections of money into the economy. The Central Bank interest rate is only going to be falling (it is planned to reach 110 percent by the year's end), and this means that commercial loans will not be becoming more expensive, and the returns on them will not be increasing. You already know everything about state short-term bonds—even at successful auctions the interest rates on them remain low, otherwise the treasury runs the risk of defaulting on its bonds. Yet ruble inflation is increasing—hitting 7 percent in September. So there will be nowhere for the poor holders of surplus rubles to invest apart from foreign currency.

The Truth About Cash Dollars

Readers, of course, want to be told how much a cash dollar will be worth tomorrow, in a month's time, and by the new year. We do not know the answer—we are speculating and worrying about it ourselves. According to expert forecasts and on the basis of previously concluded deals, the ruble rate in late September should have been R2380-2390. The experts have really been dumped on. We do not want to share their fate, so we will be more cautious—the terribly fast fall of the ruble will not stop until fresh loan rubles generously issued by the government stop turning up on the foreign exchanges. The bright path indicated by the Russian authorities will lead to a rate of R3,000 to the dollar by November.

Military Issues

Grachev Wins Cabinet Support on Delivering Funds

MM1010114494 Moscow KRASNAYA ZVEZDA in Russian 8 Oct 94 p 1

[Report by Ivan Ivanyuk: "Government Concerned at Progress of Army's Preparation for Winter"]

[FBIS Translated Text] Quite a lot has been said of late about the financial difficulties affecting the Armed Forces. But the figures cited at the latest government sitting in the speech by Defense Minister Army General Pavel Grachev seem to have opened the cabinet members' eyes to the true state of affairs. It is possible to conclude from them that the Army and the Navy are virtually incapable of preparing themselves for winter.

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Thus, as of 4 October the Russian Federation Defense Ministry was in arrears on payment as follows: 660 billion rubles [R] for municipal services, R233 billion for fuel and lubricants, R200 billion for food, and R450 billion for military transportation costs. This situation is already paralyzing the work of many services at local level and threatens the most unpredictable consequences in the future.

The Finance Ministry was instructed at the government session to act very quickly to clear its debt to the Defense Ministry, which has only been paid to date 38 percent of the annual appropriations set by the law.

Fate of Military Legislation Package Unknown

MM1010124494 Moscow KRASNAYA ZVEZDA in Russian 8 Oct 94 pp 1, 2

[Report by Vladimir Yermolin: "... While the State Duma Discusses the Protest of the 'Lofty' Faction"]

[FBIS Translated Text] Almost the whole first half of the plenary session of the Russian Federation State Duma on Friday was devoted to an incident involving the Liberal Democratic Party of Russia [LDPR] in Kemerovo Oblast. As expounded by deputies, it amounted to the following: On 2 October, when a plane carrying an LDPR delegation was approaching Kemerovo airport, the runway was blocked by gas trucks. The aircraft had to be diverted to the next airport. As Vladimir Zhirinovskiy stated, this was a deliberate act by the oblast administration.

What was the upshot? The upshot was that the LDPR pulled out of the Treaty on Public Accord, is temporarily not taking part in the Duma's work, and is launching a campaign to secure the resignation of Ivan Rybkin and early parliamentary and presidential elections.

Now for a few words about actual legislation. A "military item"—the draft Federal Law "On Changes and Additions to the Russian Federation Law 'On Defense'" (submitted by the president)—figured on the agenda. It may be that the parliamentarians will make their mark on it. The Defense Committee will then propose restricting itself to setting up a drafting commission pro tempore to reduce to a single entity the Duma draft law passed at first reading in the middle of the summer and the president's draft.

Unfortunately the package of military laws is absent at present from the parliamentary schedule. The Defense Committee, for example, is unaware of its fate. Aleksandr Yakovlev, the Russian president's representative in the State Duma, told me that he too is ignorant as to the present whereabouts of the set of military laws and does not know how soon it will be submitted to parliament. Military legislation is, of course, being modified in piecemeal fashion and being brought into line with the realities and the new Russian Federation Constitution, but there is no integrated picture, and no conceptual approach to providing legal backup for the Armed Forces reforms is being studied, Aleksandr Yakovlev said.

1995 Military Exercise Plans Call For Deep Cuts

MK1110083094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 11 Oct 94 p 1

[Unattributed report: "From Now On Army Will Carry Out Exercises Only on Maps"]

[FBIS Translated Text] MOSKOVSKIY KOMSOMOLETS has learned from reliable sources that the drawing up of combat training plans for 1995 was completed the other day at the Russian Defense Ministry.

For the first time in its history, our Armed Forces will not carry out a single large-scale troop exercise next year. Monthly flight hours for military pilots will be cut substantially. So will the number of firing practice sessions for tank crewmen, artillery men, and missile troops personnel.

Exercises simulating "combat alert" situations will be effectively phased out. Other exercises will involve units of one regiment at the maximum. These cuts have been prompted by a lack of funding.

Only command-staff exercises on maps, contemptuously dubbed by the military themselves as "a ballerina on a table," have emerged unscathed from the cuts.

Prosecutor Reports Punishment of Pacific Fleet Personnel

MM0710152194 Moscow TRUD in Russian 7 Oct 94 p 2

[Report by Yuriy Dmitriyev: "The Guilty Will Receive Their Deserts"]

[FBIS Translated Text] Reports have appeared in the press which present a one-sided view of the results of the investigation carried out by the Military Prosecutor's Office into the causes of the death of four sailors on Russkiy Island in January 1993. It is alleged, in particular, that only V. Feoktistov, a military hospital doctor, and A. Svidin, the chief of the medical service of a military unit, recently brought before a military court, have had criminal proceedings instituted against them, while the chief culprits have remained unpunished. Yesterday the Russian Federation General Prosecutor's Office Information and Public Relations Center communicated the following to TRUD in this regard.

"The Military Prosecutor's Office has completed its investigation into the bulk of the criminal proceedings involving conduct contrary to regulations and dereliction of duty on the part of commanders and chiefs. The following have been charged and convicted: V. Vytrishchak, food depot chief, for stealing foodstuffs; and junior

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commanders V. Zuyev, N. Puzin, A. Titarenko, V. Ssorin, Yu. Kireyev, and M. Teliga for assault and battery of subordinates.

"A guilty verdict has also been handed down on hospital doctor Feoktistov, and cases against a further three medical workers charged with derelection of the duty to protect servicemen's health have also been sent to court. The investigation of the cases against the deputy commander of the fleet, a military unit commander, and also several people charged with subjecting young sailors to humiliating treatment is also coming to a close.

"At the demand of the prosecutor office's disciplinary penalties have been applied to many military chiefs, some of whom have been removed from their positions."

Federal Assembly

LDPR Walks Out of Duma; Session 'Inquorate'

LD0710131694 Moscow Radio Rossii Network in Russian 1000 GMT 7 Oct 94

[FBIS Translated Text] Russia's State Duma found itself inquorate today after the address by LDPR [Liberal Democratic Party of Russia] Vladimir Zhirinovskiy. He announced that the LDPR is pulling out of the Civic Accord Treaty and stated that the LDPR faction is suspending its participation in the Duma sittings temporarily, for an indefinite period. The main reason for this is the humiliation and stifling, as Zhirinovskiy put it, of his party. What he meant, in particular, was the incident involving the aircraft carrying a LDPR delegation that was on its way to North Korea. At Kemerov airport on 2 October it was refused permission to land in connection with the repair of the runway. However, Zhirinovskiy believes that the refusal was caused not by technical difficulties but by the actions of his political opponents.

After the statement had been made the LDPR faction left the sitting and, after this, the factions of the communists and agrarians and the "Russian Way" and "Power" [Derzhava] declared solidarity with Zhirinovskiy's deputies and refused to vote.

According to Interfax, less than 400 deputies were left in the meeting hall, which means that the session is inquorate.

Duma Ratifies Treaty on CIS Economic Union

LD0710134794 Moscow ITAR-TASS World Service in Russian 1215 GMT 7 Oct 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 7 Oct—The State Duma today ratified the treaty on creating an economic union within the framework of the CIS. All the other countries of the Commonwealth that signed the document have already ratified it.

The treaty on creating an economic union lays the foundations for setting up a common economic space for the CIS member countries. This was stated by the president's representative, Deputy Prime Minister Aleksandr Shokhin, when he spoke in the debate on the day before the voting. In his opinion, the document reflects the concept of the deep transformation of economic cooperation within the framework of the Commonwealth.

Shokhin recalled that the treaty on creating an economic union is a framework treaty; it is accompanied by a package of agreements, many of which have already been signed. He said that the next meeting of the heads of CIS states on 21 October is to consider a detailed plan of integrational measures that include not only economic questions. He said that it contains sections on foreign policy, military, and border matters. The deputy prime minister stressed that the implementation of this international agreement is making very rapid progress.

Konstantin Zatulin, chairman of the Duma committee for CIS affairs and links with fellow countrymen, described this treaty as "a guarantee of progress." He said that this agreement should not be treated like a buffet table from which you can select some items and leave others behind.

The deputies who spoke during the debate stressed that the treaty lays down that its aims are to be reached in several stages and this should facilitate the gradual elimination of crisis phenomena and, at the same time, it should prepare the optimal conditions for the creation of a single, normally functioning, economic organism.

Commission To Investigate LDPR Airport Incident

LD0710132394 Moscow ITAR-TASS in English 1232 GMT 7 Oct 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow October 7 TASS—Reasons for the incident at the Kemerovo airport will be investigated by a commission of the Russian Ministry of Transport and reported to deputies of the State Duma after October 15, Vitaliy Yefimov, minister of transport of the Russian Federation, told a plenary meeting of the State Duma today.

The minister was invited to the meeting to inform the deputy corps of the reasons for which a plane with members of the faction of the Liberal Democratic Party of Russia [LDPR] failed to land at the Kemerovo airport on October 2 this year.

According to the minister, "we do not believe any statements on this matter. There is a flight recorder box on board the aircraft that also registers everything that is going on at the airport." The commission will study

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particularly these materials. According to Vitaliy Yefimov, the commission was set up because the "plane did not land at the given point."

Officials from the general prosecutor's office will tackle this problem together with the commission from the Ministry of Transport, said Aleksey Iliyushchenko, acting general prosecutor of the Russian Federation, who was also invited to the meeting of the Duma. However, he stressed, the general prosecutor's office will be able to give its legal estimate to the incident at the Kemerovo airport only when it has experts's inference on the reasons behind the incident."

Federation Council Adopts Appeal to Chechens

LD0710171794 Moscow ITAR-TASS in English 1619 GMT 7 Oct 94

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Transcribed Text] Moscow October 7 TASS—The Russian Federation Council called on the Chechen people today to find together a way out of the tragic situation.

The appeal expresses concern over the fate of Chechen residents and says "peace and prosperity of the Chechen people have been sacrificed to the ambitions and selfish interests of Chechen politicians".

The parliament chamber called on the Chechen elders and the clergy to stop the insane developments and calm the people down. He urged politicians to start negotiations and decide on the future of their people with due account of interests of all Caucasian people through a free dialogue instead of arms.

Federation Council Ratifies Baykonur Accord

LD0710165494 Moscow INTERFAX in English 1445 GMT 7 Oct 94

[FBIS Transcribed Text] The Federation Council ratified an agreement with Kazakhstan on the use of the Baykonur space launching station. The State Duma has already approved the agreement.

Baykonur remains vital to the Russian space program as long as the country lacks its own station for launching Proton heavy booster rockets.

Under the agreement Russia will lease Baykonur for 20 years and pay an annual rent of $115 million along with an annual upkeep bill of $370.4 million. The agreement can neither be rescinded nor amended over that period.

The act ratifying the agreement was passed by the State Duma on July 21, 1994, but was not considered by the Federation Council within the two weeks required by the Constitution. The act was submitted to the president for signing. Boris Yeltsin sent it back to the Federation Council in as the exploitation of Baykonur implies a Russian military presence in Kazakhstan, legally requiring Federation Council approval.

Duma Rejects Resolution on OMON Probe

LD0710184894 Moscow INTERFAX in English 1749 GMT 7 Oct 94

[FBIS Transcribed Text] The State Duma failed to pass the two draft resolutions on setting up a parliamentary commission to probe into the legality of actions by the OMON (special purpose police unit).

A draft resolution proposed by the State Duma security committee envisioned including representatives of all factions and deputies' groups in the commission. On behalf of the committee, the document was put forward by its chairman, Viktor Ilyukhin, from the Communist Party parliamentary faction.

The chairman of the subcommittee for legislation on personal security and emergencies of this committee, Aleksey Sarychev from Russia's Choice faction, is convinced that his committee must control the observation of laws by OMON units and such a commission must be formed under his subcommittee. Professional composition rather than political discussions on the issue are needed, he added.

Since none of the documents canvassed the required majority of 223 votes, they were sent back for adjustment.

Regional Affairs

Russians Deny Training Chechen Opposition

LD0710161094 Moscow ITAR-TASS in English 1420 GMT 7 Oct 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] Moscow October 7 TASS—The Russian Army General Staff refuted today media reports that claim "training of military specialists of the Chechen opposition on the grounds of the North-Caucasian Military District".

Sources at the staff press center told ITAR-TASS that 120 students of Kabardino-Balkar State University were trained on the Prudboy grounds, 60 kilometers away from Volgograd, from September 5 through 29 after listening to a theoretical course at the university. The latter's students are ethnic Kabardins, Balkars, Ingushes, Chechens and representatives of other North Caucasian ethnoses. The training was done on the premises of the 33rd Motorized-Infantry Regiment.

"Such training is done every year. It has never provoked any questions, being open and held in strict correspondence to the curriculum approved for reserve officers," Colonel Viktor Mikhailov, commander of the 20th Motorized-Infantry Division which is part of the 33rd regiment, told ITAR-TASS.

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He said that the division officers do not care about the nationality of students. "The fact that mass media calls attention to the belonging of any of these students to the Chechen opposition provokes bewilderment," said the colonel.

Khasbulatov Group Urges Opposition to Dudayev

LD0810103694 Moscow ITAR-TASS in English 0941 GMT 8 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Groznyy October 8 TASS—Ruslan Khasbulatov's peace-making group has appealed to the inhabitants of Groznyy, capital of Chechnya, to withdraw their support of the "doomed Dudayev regime". The group said in its address to the inhabitants of the Chechen capital which was broadcast over opposition television network last night, that Dudayev was turning central Groznyy into his last stronghold by purchasing or confiscating houses, apartments and other buildings for his henchmen. The peace-making group asked people to prevent this by all means at their disposal.

New authorities in Chechnya will understand and forgive all those, including members of armed groups, who was misled by the Dudayev regime but came to their senses in time and sided with the opposition, the statement said.

Interim Council Head Meets Khasbulatov

LD0810125394 Moscow ITAR-TASS World Service in Russian 1112 GMT 8 Oct 94

[By unidentified ITAR-TASS correspondent]

[FBIS Translated Excerpt] Moscow, 8 Oct—A meeting between Umar Avturkhanov, head of the Interim Council and head of the peace-making group Ruslan Khasbulatov, who is on a mediation mission in the Chechen Republic, took place today in the vicinity of the village of Znamenskoye, where the headquarters of the Chechen opposition is located. The ITAR-TASS correspondent has learned this from military sources in the Interim Council. The meeting was a confidential one.

This was one of the first meetings between Avturkhanov and Khasbulatov after the latter's recent trip to Moscow. Well-informed observers assume that problems of joint actions to overthrow the official Groznyy regime were discussed at the meeting. [passage omitted]

Chechen Foreign Minister on Possible Talks

Says Quiet Prevails

LD0810183394 Moscow INTERFAX in English 1607 GMT 8 Oct 94

[FBIS Transcribed Text] In Chechnya the conflicting sides may engage in negotiations soon, Foreign Minister Shamseddin Yusef told Interfax on Saturday. According to him, this will be largely a result of efforts exerted by the conciliatory commission formed by the authoritative representatives of ethnic Chechens living in Central Asia (Interfax note: in Kazakhstan, Kyrgyzstan, Turkmenistan).

After a number of meetings with leading Russian officials in Moscow members of the commission went to Groznyy, where they are conferring with the opposition leaders and with the representatives of official Groznyy.

This circumstance accounts for the quiet situation prevailing in Groznyy and in Chechnya as a whole now, Yusef said.

Shakhray Says Use of Force Possible

LD0810212994 Moscow ITAR-TASS in English 2104 GMT 8 Oct 94

[FBIS Transcribed Text] Moscow 9 Oct (TASS)—"We estimate the Chechen situation as actions of a free criminal economic zone that appeared as a result of the 1991 coup and gradually formed. The essence of this zone is that the republican territory is used for transit of arms, drugs and hard currency. The financial criminal "pump" ends in Moscow, the Middle East, London and so forth," Russian Vice-Premier Sergey Shakhray told the Ostankino TV company tonight.

"The initial set of measures used by the government aims to liquidate the criminal free economic zone and make it economically inefficient. On the other hand, the government measures should take into account the mentality of the Chechen people and its tragic history. Thus, the methods should prevent armed escalation with the use of Russian Army units. This does not mean we will not use power structures of the Russian Interior Ministry, since Chechnya is part of Russian territory. The use of force is possible," said Shakhray.

"The situation is tragic, there are casualties, but it does not threaten territorial integrity of Russia and is under control of the Russian Government. Dudayev will have to resign anyway. I think that negotiations of the Russian president with citizen Dudayev are impossible, it would be the day of national shame for Russia.

"The situation may become clear in a few days. If this does not happen, it will reach the climax every two or three months till the Dudayev regime falls. Dudayev no longer interests me. The way to organize power, order and economy in the post-Dudayev period are much more important," said Shakhray.

Dudayev Steps Up Security Measures

LD0910102894 Moscow ITAR-TASS World Service in Russian 0754 GMT 9 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

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[FBIS Translated Text] Groznyy, 9 Oct—Dzhokhar Dudayev has categorically forbidden all members of his cabinet of ministers to move about the republic or beyond its borders without a guard and special escort.

Since the capture of one of his most trusted comrades-in-arms, chief prosecutor and Justice Minister Usman Imayev, who was taken prisoner by the opposition on 27 September, the Chechen president has decided to strengthen the guard on representatives of the official leadership. It is not clear how the security of a government on Russian territory that is recognized by no one will be maintained.

The fate of Imayev is as yet unknown. A special group to free him was set up at a session of the cabinet of ministers held on 6 October. The government does not have information as to where the chief prosecutor is being held.

An appeal to the Russian leadership and a number of international public organizations requesting his liberation, which the cabinet adopted, does, however, claim that "Usman Imayev has been taken to Moscow."

Missile Attack Near Groznyy Kills One

LD0910160794 Moscow ITAR-TASS in English 1533 GMT 9 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Groznyy October 9 TASS—Two military helicopters carried out a missile attack on a section of the Rostov-Baku highway 18 kilometers from the Chechen capital Groznyy at 16:10 on Sunday.

According to the Chechen Interior Ministry, one of the missiles hit a tanker-truck that was moving along the highway. The truck exploded and burst into flames, the driver died.

Chechen Interior Minister Ayub Satuyev said that there were neither military, nor police, nor other forces loyal to Chechen President Dzhokhar Dudayev in the area.

The Russian Interior Ministry said it had no information about the incident.

Opposition Official Rules Out Talks

LD0910180694 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 9 Oct 94

[FBIS Translated Text] Opposition forces in Chechnya have no intention of taking part in talks with supporters of President Dudayev, Ekho Moskvyy has learned from Zaindi Cheltayev, the head of the administration of the republic's Interim Council. He believes that the Chechen diaspora is wasting time trying to organize consultations with both sides. The past three years proved it was impossible to settle the crisis situation by way of talks, he said. Even if Dudayev were to agree to talks, it would be a purely tactical trick. Just yesterday Dudayev said that the opposition should be wiped out completely, Cheltayev said.

Dudayev's Forces Attacked, 24 Reported Dead

LD1010153694 Moscow ITAR-TASS World Service in Russian 1438 GMT 10 Oct 94

[By unidentified ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 10 Oct—Interim Council forces carried out an airborne missile attack on Dzhokhar Dudayev's forces on the approaches to Groznyy in the area of the Chernorechye settlement on Sunday. A large amount of equipment was destroyed and there are numerous casualties among the government forces, the Interim Council information committee informed ITAR-TASS by telephone today.

The official Groznyy authorities announced that as a result of this air attack by opposition forces, 24 government forces' personnel were killed and about 100 wounded.

The Interim Council denied allegations by the Groznyy authorities that there were numerous casualties among the civilian population.

Interim Council press center head Ruslan Martagov also said that as of today, some of Dudayev's sentries in the settlement of Bratskoye in Nadterechnyy Rayon had been removed.

According to information from military sources in Znamenskoye [headquarters of the Interim Council], the united opposition forces began military exercises on the Terek ridge today. Interaction between land forces and support helicopters is being worked out.

A senior member of the Interim Council, who wished to remain anonymous, said that in the situation that has emerged the opposition wholly rules out any possibility of peaceful dialogue with official Groznyy and is preparing to remove Dudayev by force.

Pro-Dudayev Meeting in Groznyy

LD1110104294 Moscow ITAR-TASS in English 0901 GMT 11 Oct 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Groznyy October 11 TASS—A meeting in the capital of the Chechen republic, which is continuing without cease for one month already, today passed a resolution, calling on the heads of local Chechen administrations to immediately gather their work collectives for a meeting in support of Chechen President Dzhokhar Dudayev.

ITAR-TASS has learned from trustworthy sources in Groznyy that representatives of local power structures want the Chechen president to take resolute actions. However, Dudayev is for the time being refrained from

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the all-out use of force against the opposition, hoping, judging by his latest TV statement, that "many of these people have been deceived. They have now realised what they are doing and will stop opposing their own people".

This shows that the confrontation between the pro- and anti-Dudayev forces is continuing in the Chechen republic and passions are being whipped up by angry statements and mutual accusations.

N. Ossetian-Ingush Administration Head on Situation

LD1010225194 Moscow ITAR-TASS World Service in Russian 1735 GMT 10 Oct 94

[By ITAR-TASS freelance correspondent Aleksandr Ruslanov]

[FBIS Translated Text] Nazran, 10 Oct—Vladimir Lozovoy, head of the Provisional Administration in the state of emergency zone on part of the territory of North Ossetia and Ingushetia, said in an interview with the ITAR-TASS correspondent that "no one can give guarantees in the state of emergency zone today that someone will not kill someone else." He made this statement after a meeting in Nazran with Ruslan Aushev, president of the Republic of Ingushetia, at which the abruptly worsening situation in the state of emergency zone was discussed. One Ingush was killed and two were injured there today in the village of Chermen in North Ossetia's Prigorodnyy Rayon.

Vladimir Lozovoy called today's tragic murder in Chermen "provocation by certain forces aimed at igniting the region."

Solzhenitsyn Rebukes Warring Politicians in Voronezh

MM1010155494 Moscow ROSSIYSKAYA GAZETA in Russian 8 Oct 94 p 8

[Report by own correspondent Gennadiy Litvintsev: "Aleksandr Isayevich Barely Able To Separate Them; Political Opponents Grapple at Meeting With A.I. Solzhenitsyn"]

[FBIS Translated Text] Voronezh—We go visiting with relatives and friends. And although, as he said himself, until now A. Solzhenitsyn had only had occasion to pass through Voronezh, there were people here who had supported the writer through the difficult years when he was hounded and oppressed. These people were here to meet Aleksandr Isayevich when he arrived from Rostov early in the morning. One of them was local writer Boris Gordeychev, who was courageous enough to send words of respect and support to the author of "Ivan Denisovich" in the late sixties. It was an action that cost Vladimir Grigoryevich the job of executive secretary of the oblast writers' organization at the time. Also at the station was an elderly, gray-haired man—Dmitriy Fedorovich Kulakov, Solzhenitsyn's "partner in crime" described in the novel "The First Circle."

At a meeting with city mayor A. Golts Aleksandr Isayevich explained his interest in Voronezh thus:

"Your city is central to Russia; it is distinctive, one could even say focal. It was important for me to find out what is happening here with you and how people are feeling."

City officials invited to the meeting made speeches in the customary style of reports to the leadership, attributing the good things to their own personal zeal and blaming all the difficulties and failures on "the absence of laws and the general disorder." Aleksandr Isayevich frowned, but assiduously scribbled things down in a notebook.

Next day saw a meeting with city inhabitants open to anyone wishing to attend. The enormous auditorium was full. The writer was greeted with applause. But paid activists from mutually hostile political currents proved unable to get along even at a soiree and began trying to drown out speakers by clapping, shouting and causing a commotion. Things reached the point where Aleksandr Isayevich literally had to separate two speakers grappling on stage over the microphone.

"Here's an example of the way we have let ourselves go these past seven to ten years," the writer said reproachfully. "Come now, let's listen and try to understand one another, to feel like citizens of the same country."

In his closing speech he had a lot of bitter but justified things to say about the moral condition of our society and the things that are hampering the country's genuine spiritual and economic rebirth.

Karelian Minister's Murder Blamed on Drunk Teens

MM1110090394 Moscow PRAVDA in Russian 11 Oct 94 p 1

[Report by Anatoliy Minayev under the "Chronicle of the Undeclared War" rubric: "Yet Another Accidental Victim"]

[FBIS Translated Text] Republic of Karelia—On 1 October PRAVDA carried an ITAR-TASS correspondent's report, entitled "Without Regaining Consciousness," on the murder of Vladimir Mikhaylenko, chairman of the Republic of Karelia State Committee for the Management of State Property, who had reportedly categorically refused to sign dubious documents for mafia structures and suffered the consequences.

Now, two weeks after this event which agitated the entire republic, it is possible to offer substantive clarifications regarding this tragic incident.

Perceiving the political implications of the event, Russia's Vice Premier Anatoliy Chubays threatened the

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Karelian militia with all sorts of unpleasant consequences if the crime remained unsolved. Russia's Minister of Internal Affairs Viktor Yerin urgently seconded a colonel from the Main Criminal Investigations Administration to Karelia. But the local militia tracked down the criminals even before the Moscow specialist for especially important cases had arrived in the republic. Everything proved to be much more prosaic (and this makes any citizen fear for his life in Russia) than a "political," "contract," or vengeance killing. What did actually happen?

Following the conclusion of celebrations to mark the Nadvoitsy aluminum plant's jubilee anniversary, in the course of which V. Mikhaylenko, chairman of Karelia's State Committee for the Management of State Property, had delivered a commemorative greetings message to the collective, he was making his way back to the hotel late at night on his own, even though he had been offered an escort. Oleg Batishchev, ninth-grade pupil at the local school, and his friend Ivan Kovalevskiy, a young fitter, who had drunk rather excessively, came across the stranger and started bothering him.

"We did not like his answers to our questions," the young criminals now testify.

Fists and boots came into play. The member of the Karelian Government was so cruelly beaten up that his face ended up as a mass of bloody pulp, his skull was broken, and he died a few hours later without regaining consciousness. Only his broken and trampled glasses were left behind at the scene of the crime.

Is this an isolated incident? This is what Nikolay Nikiforov, chief of Karelia's Criminal Militia Service, told journalists: "Similar cruelty by adolescents, fanned by alcoholism, is recorded in many comparable cases."

If the criminals knew that Hero of Russia Viktor Yerin, minister of internal affairs, would appoint special investigators and special teams to pursue the criminal case in each criminal incident, the situation might possibly change for the better. Unfortunately, the majority of our fellow-citizens are totally denied any protection by law enforcement organs. This is why people are dying in their thousands, just like in wartime.

Udmurtia's Deputy Interior Minister Shot Dead

LD0910095394 Moscow ITAR-TASS World Service in Russian 0737 GMT 9 Oct 94

[By ITAR-TASS correspondent Alfred Artamonov]

[FBIS Translated Text] Izhevsk, 9 Oct—At around 0400 Nikolay Perevoshchikov, the first deputy interior minister of Udmurtia, was murdered in his apartment. Unidentified persons broke down the door and shot dead the militia colonel, his wife, elder son, and daughter with an automatic weapon as they slept. Of those in the flat, his younger son, son-in-law, and grandson survived. The republic's procuracy, the Interior Ministry and the Security Ministry are conducting an investigation into the murders and criminal proceedings have begun.

Perevoshchikov was 44 and had spent 24 years working in militia bodies. He had been deputy minister for five years.

Murder Attempt Made on St Petersburg TV Chief

LD0810181694 Moscow ITAR-TASS World Service in Russian 1724 GMT 8 Oct 94

[FBIS Translated Text] Moscow, 8 Oct (ITAR-TASS)—Vladislav Nechayev, the head of information programs at St. Petersburg Television, was the victim of a murder attempt this morning. The final diagnosis will be available in a few days, but it is already clear to doctors that he has sustained a serious contusion to the brain.

The "Segodnya" program on NTV reported that when Nechayev was traveling to work his automobile was overtaken by another. Two assailants jumped out and without saying a word beat him with truncheons. The attack is possibly linked to recent announcements of large-scale redundancies at St. Petersburg Television, and the victim was on the Redundancy Commission. The commission was chaired by Bella Kurkova, the director of St. Petersburg Television and herself the target of a similar attack three weeks ago. She is still in hospital in a grave condition.

According to the police, both attacks bear identical hallmarks. Both Kurkova and Nechayev have been meticulously followed and apparently had their phones tapped to determine their whereabouts. But whatever happened, journalists have been developing their own version of events. It is linked to St. Petersburg Television's upcoming share floatation, the drafts for which are in the form of government rulings that are as yet unsigned and unexamined. Somebody has decided not to wait and wants to remove the leading players from the field.

St Petersburg Sends No Money To Stage Elections

MM1010143094 Moscow ROSSIYSKAYA GAZETA in Russian 8 Oct 94 p 2

[Report by Sergey Alekhin: "No Money for Elections"]

[FBIS Translated Text] St. Petersburg—Less than one month remains before the elections to the City Assembly in St. Petersburg. Nine electoral associations are still competing for the 25 City Assembly seats. The first preliminary stage is over and the registration of candidates, 182 to date, has begun. The "Peter the Great" and "Communists of Leningrad" support funds are fielding the largest numbers of candidates for deputies' seats. Candidates from those blocs will be standing in all 25 districts.

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At a meeting in the Smolnyy Institute between representatives of electoral associations and members of the organizing committee for the preparation and holding of the elections it was noted that finance is causing special anxiety. At the moment there is no money to pay for the elections because on this occasion financing is provided by the state budget and St. Petersburg has not yet received any money from the Central Electoral Commission.

Chernomyrdin in Novorossiysk for Shipping Conference

LD1110105094 Moscow ITAR-TASS World Service in Russian 1015 GMT 11 Oct 94

[By ITAR-TASS correspondent Viktor Zhilyakov]

[FBIS Translated Text] Novorossiysk, 11 October—Today Viktor Chernomyrdin, chairman of the Russian Government, who is now on holiday in Sochi, arrived in Novorossiysk. He is taking part in a conference on the problems of developing current and creating new maritime and river transshipping complexes on the Azov-Black Sea coast in Krasnodar Kray.

At the conference, the head of government proposed that leaders of the Transport Ministry and Krasnodar Kray, along with specialists, be heard on the implementation of the government's decision on immediate measures for the revival of Russia's merchant navy.

Kovrov Defense Workers Resume Work; Prospects Gloomy

LD0710150494 Moscow ITAR-TASS World Service in Russian 0921 GMT 7 Oct 94

[By ITAR-TASS correspondent Eduard Vasilyev]

[FBIS Translated Excerpt] Kovrov (Vladimir oblast), 7 Oct (ITAR-TASS)—All the major defense enterprises in Kovrov city resumed work today after a month's break. In September tens of thousands of workers were sent on compulsory leave.

The state owes Kovrov's enterprises over 50 billion rubles [R] for output which has already been produced; R4 billion of this is for unpaid wages. Each of the workers sent on compulsory leave received only the "minimum," that is just over R20,000 a month for a whole family.

There is now no money and no prospects of receiving any, because military representatives have ceased accepting products which have already been produced. [passage omitted] The mountains of unwanted weapons continue to grow in the warehouses.

Today Kovrov sent yet another request to Moscow urging that the agreement reached during the summer on the repayment of debts should be fulfilled.

Perm Oblast Unanimously Passes New Charter

MK0710132094 Moscow SEGODNYA in Russian 7 Oct 94 p 2

[Report by Igor Lobanov (ADS), Vladislav Korobeynikov under the "Regions" rubric: "Perm Passes Own 'Constitution.' Constitutional Assembly Deputies' Powers Extended for Two Years"]

[FBIS Translated Text] The Perm Oblast Legislative Assembly unanimously approved a Perm Oblast Charter on the third attempt 6 October. The preamble to the "Perm constitution" consisting of seven chapters (general provisions, economy and finance, the Legislative Assembly, Perm Oblast administration, local self-government, judicial organs, and operation of the Charter) says that "all the rights and freedoms of man and citizen written into the Russian Federation Constitution shall be recognized and guaranteed on oblast territory." The Charter is proclaimed to be the fundamental legislative act and normative document creating the basis for all current legislation of the oblast.

Despite the fact that the treaty "On Delimiting the Jurisdictions and Mutual Delegation of Powers Between the Russian Federation Organs of State Power and Those of Perm Oblast" so far exists as a draft, the Charter already delimits the operation of normative legal acts on oblast territory. For example, should differences arise between an oblast act and a federal law, when both are concerned with the jurisdiction of Federation components, the "Perm law" takes precedence under the Charter. At the same time, a Federal law has supremacy when differences are over things that are in the joint jurisdiction of the Russian Federation and its components. Under the Charter, federal organs of state power have no right to pass normative acts in regard to areas in the jurisdiction of Perm Oblast in the same way as the oblast cannot interfere in the sphere of Federal organs' power. Relations between the Perm Oblast organs of power and the organs of local self-government are regulated in a similar manner. A separate article specifies the oblast's relations with the Komi-Permyatskiy Autonomous Okrug. As the Charter says, Perm "recognizes equal rights of the okrug's population, its right to self-determination, development of the language and culture, respects its customs and traditions." Interference in the okrug organs of power competence is inadmissible.

According to one of the Charter's provisions, the Legislative Assembly and the government shall be elected for four-year terms. A Legislative Assembly deputy cannot perform similar duties in the other organs of representative power, to be in civil service, and be engaged in entrepreneurship. But these norms go into effect only once a Legislative Assembly of a new convocation goes to work. The current Assembly includes many deputies who combine their norm-making activity with work in the Perm City Duma, or who are very active in business. The same article says that elections for Legislative Assembly deputies cannot be held concurrently with

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elections for governor, and that the interval between both should be at least one year. Having passed the Charter in this wording, according to Oblast Prosecutor Vladimir Semenov, the Legislative Assembly has extended its own powers for two years and moved its elections back from spring 1996 to 1998. The prosecutor's remark made no impression on the deputies, and everything was left unchanged.

On a suggestion from deputy Vladimir Zotin, the Legislative Assembly confirmed the new—or more correctly, it restored the old—title of the oblast's top executive: after the passing of the Charter, the Perm Oblast administration head is now officially called governor. The deputies for the time being refrained from renaming the oblast as a guberniya.

The Charter goes into effect after publication. In addition to the Perm Oblast "fundamental law," it is proposed to pass a number of normative documents concerned with the operation of the Legislative Assembly, the administration, and organs of local self-government, as well as oblast laws on the budget process, on hard-currency and nonbudget funds, on oblast taxes and duties, on oblast property, agrarian and social policy, environmental and health protection. All in all, 21 laws have been planned for passing to enlarge on the Charter provisions.

Tatarstan President on Results of U.S. Trip

LD0710121194 Moscow ITAR-TASS World Service in Russian 2314 GMT 6 Oct 94

[ITAR-TASS correspondent Andrey Loshchilin]

[FBIS Translated Text] Washington, 7 Oct (ITAR-TASS)—The signing of an agreement with the government Export-Import Bank of the United States on allocating us a credit of $253 million for developing oil production is one of the major results of my trip to the United States. Tatarstan President Mintimer Shaymiyev said this at a news conference Thursday at the National Press Club. He is in Washington at the invitation of the International Council for Research and Exchanges.

Answering an ITAR-TASS correspondent's question, he reported that the U.S. Export-Import Bank is also drawing up an agreement for Tatarstan to receive a $100 million credit to build a major oil terminal and is working on a project for financing the modernization of the KamAZ motor vehicle building complex in Naberezhnyye Chelny. From my meetings with Kenneth Brody, the bank's president, and leaders of Congress and the U.S. State Department I concluded that all those currently granting credits to Russia are concerned with the issue of the effectiveness with which these funds would be used, M. Shaymiyev said. For my part, I was stressing in every way possible that such credits should be granted for specific projects so that their effectiveness would not cause any doubt. I do not understand it any differently. Such an approach is met with understanding here.

Touching on the prospects for cooperation with American business in building the Yelabuga motor works, at the request of an ITAR-TASS correspondent, M. Shaymiyev noted that in the United States he held fruitful talks with General Motors representatives. Jointly we have already studied for more than a year issues of developing the Yelabuga site. We agreed that the technical and economic basis for the project should be ready no later than the first half of November. Only after this will it be possible to speak specifically about conditions for building and granting credits. At present I can only say that a great deal of work has been done, M. Shaymiyev stressed.

He reported that at meetings in Washington the issue of cooperation in the sphere of both the modernization and conversion of Tatarstan's many defense facilities was also discussed. At present we are cutting down sharply on the production of military equipment, the president said. After the disintegration of the USSR these enterprises lost a significant proportion of their markets. However, we have products which even now continue to be exported. First and foremost, they are the MI-8 and MI-17 military helicopters. We have started gradually to return to international markets. So far we have not been able to market our products in detail, but now the situation has started to change gradually.

Answering questions by American journalists, M. Shaymiyev stated that today's relations between Kazan and Russia can serve as a model for settling conflict situations on the territory of the former USSR. I believe that the agreement signed by myself and President Boris Yeltsin on 15 February this year is a blessing to Russia and a boost to the process of the coming into being of the federation. The democratic transformation of society may proceed on this basis alone. We should not be afraid of the decentralization processes. Russia can be strong merely by having strong republics, krays, and oblasts, M. Shaymiyev stressed.

Vodka Availability Delays Irkutsk Harvest Work

MM0710130394 Moscow ROSSIYSKIYE VESTI in Russian 7 Oct 94 p 2

[Report by correspondent Gennadiy Gypylov: "Frontline Vodka Bottles in 'Struggle for Harvest'"]

[FBIS Translated Text] Irkutsk—Irkutsk agrarian officials in the form of the rayon administrations, collective farm [kolkhoz] chairmen, and state farm [sovkhoz] directors have demanded that Yuriy Nozhikov, the governor of this wealthy agricultural region, introduce a state of emergency on the oblast territory.

But nothing has happened to threaten the safety of the citizens in the Baykal area. It is simply that the rural inhabitants are losing the "battle for the harvest." With financial and material backup there are no special problems this fall. Everything necessary—combines and tractors—has been brought out onto the fields. But as of

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today only one third of the grain crops have been harvested and the figure is the same for potatoes and even less for vegetables. Vasiliy Berdnikov, chairman of the oblast agro-industrial complex, once angrily let drop: Last week all we did was dry out. Quick-witted people guessed what Comrade Berdnikov had in mind: They had hardly dried out not from the rain but from vodka. For instance, on one farm in Ust-Udinskiy Rayon on the central sector this product is on sale at 20 places. And a similar trade has been developed everywhere. They have even had to dispatch a militiaman to each kolkhoz and sovkhoz and it has been decided to take absentee workers to court. But the first snow has already fallen—as a hangover, so to speak.

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International Affairs

Kuchma Receives Belarusian, Moldovan Presidents

LD0710153094 Kiev UNIAN in Ukrainian 1300 GMT 7 Oct 94

[FBIS Translated Text] Kiev [No dateline as received]—President of Ukraine Leonid Kuchma received this morning, on 7 October, a government delegation from the Republic of Belarus led by president Alyaksandr Lukashenka and one from the Republic of Moldova led by President Mircea Snegur.

The Belarusian president told journalists that he and the president of Ukraine discussed the forthcoming meeting of CIS heads of state and a wide range of economic issues. "If no agreement is reached at the CIS summit, we will try to deepen relations on a bilateral basis, particularly with Ukraine," he said.

President of Moldova Mircea Snegur described his meeting with the Ukrainian president as a fruitful one, saying that experts would now step up work on the preparation on bilateral documents.

In the afternoon, President Kuchma will receive delegations from Lithuania and Estonia.

Belarusian President Praises Talks

LD0910134694 Minsk Radiostantsiya Belarus International Service in Belarusian 1900 GMT 8 Oct 94

[FBIS Translated Text] On 7 October a delegation from Belarus, headed by President Alyaksandr Lukashenka arrived in Kiev for the celebrations devoted to the 50th anniversary of the liberation of Ukraine from the German fascist invaders, reports ZVYAZDA. The meeting between the presidents of Ukraine and Belarus was held behind closed doors.

Commenting on the results of the meeting with Leonid Kuchma, Lukashenka declared that the summit level conversation was fairly wide-ranging. During the meeting the presidents informed each other about the political and economic situation in their states. They discussed a range of issues concerning the forthcoming meeting of heads of state in Moscow and the further integration of Commonwealth countries. I am pleased with the rational, balanced position of Kuchma and his readiness to meet Belarus. We are fraternal peoples. We must seek a unifying basis, especially in the economy, said Lukashenka.

He noted that the previous leadership of Belarus made a big mistake in paying little attention to the development of good relations with our closest neighbor, Ukraine, and he stressed that we are deeply mistaken in thinking of finding ways of uniting only Belarus and Russia. We will be very incomplete without Ukraine. Therefore, in Lukashenka's view, closer contacts must be established between the three Slav states.

Lukashenka noted that despite the common problems, the situation with energy sources in Belarus is somewhat better than in Ukraine. In particular, the president told journalists [words indistinct]. I must reassure the citizens of Belarus—we will be OK over the winter period. He noted that on the eve of his departure from the capital of Ukraine there had been a series of meetings with representatives of Russian oil circles who had promised to support the Belarus leadership.

Lukashenka on CIS Talks

LD0710204394 Moscow ITAR-TASS in English 1946 GMT 7 Oct 94

[By ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev October 7 TASS—"If the negotiating process among the commonwealth countries is not filled with concrete contents, the commonwealth will have no future," President Alyaksandr Lukashenka of Belarus stated.

Commonwealth countries must tackle economic problems seriously and accelerate integration processes. This needs a good will of all commonwealth states, first of all Russia, the president told ITAR- TASS.

"As for me I will do everything in my power for the successful development of not only bilateral but also multilateral relations," Alyaksandr Lukashenka stressed.

The Belarus president arrived in Kiev at the head of a delegation to take part in the celebrations devoted to the 50th anniversary of Ukraine's liberation from fascist invaders. Today he met with Ukrainian President Leonid Kuchma.

"At present there is no other way out but the rapprochement between each other," Alyaksandr Lukashenka pointed out speaking about prospects for Belarus-Ukrainian relations. According to him both presidents agreed on the need for closer cooperation. They came to a common viewpoint that it possible to advance on the path of radical reforms only by joint efforts.

"Our states are different but our economies are closely tied," Alyaksandr Lukashenka stressed. Now much depends on the resumption of horizontal ties between enterprises and branches of the economy, the Belarus president believes.

Kuchma, Chernomyrdin View Gas Debt Repayment Problem

LD1010133694 Kiev Radio Ukraine World Service in Ukrainian 1300 GMT 10 Oct 94

[FBIS Translated Text] Ukrainian President Leonid Kuchma and Russian Prime Minister Viktor Chernomyrdin held a confidential meeting in Kiev. It is known that the main topic of conversation was the problem of paying off Ukraine's debt for natural gas. At a news

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conference after the meeting, Kuchma said that Ukraine could not pay off the debt in the near future. Both leaders supported the idea of creating joint financial industrial projects with the aim of creating the possibility for the Ukrainian side to pay off the debt.

Chernomyrdin To 'Insist' on Payment

LD0810145194 Moscow ITAR-TASS in English 1431 GMT 8 Oct 94

[By ITAR-TASS correspondents Viktor Demidenko, Gennadiy Yezhov and Mikhail Melnik]

[FBIS Transcribed Text] Kiev October 8 TASS—Russia will insist on payment of the Ukrainian debt for Russian energy carriers, Russian Prime Minister Viktor Chernomyrdin said here today upon the completion of his meeting with Ukrainian President Leonid Kuchma. The closed-door meeting lasted for about an hour.

The Ukrainian debt for Russian energy carriers is estimated at some one billion U.S. dollars. Ukraine also owes money to Turkmenistan for gas deliveries. Ukraine is "insolvent" and cannot pay Russia in hard currency in the immediate future, Leonid Kuchma told a news conference today.

Both leaders expressed their striving to develop joint projects in the sphere of financial-industrial groups, joint ventures, corporatization and capitalization so that Ukraine finally pay for oil and gas. "We have mechanisms to do this, but they should be used more swiftly," said the Russian premier.

In the words of Kuchma, today's meeting decided to convene heads of interested ministries and departments, as well as of the Gazprom joint stock society within two weeks in Kiev. Chernomyrdin said that the Ukrainian "null variant" which means writing off of the energy debt at the expense of the Ukrainian foreign debt cannot be accepted.

Asked about the division of assets and liabilities of the former Soviet Union between Russia and Ukraine, both leaders admitted they have not discussed this issue in detail. In case this debt is shared Ukraine will have to share payments to international financial organizations, which will run into some 700-800 million dollars a year and the republic so far does not have this sum. The division will make Ukraine to service a 13.5 billion dollar debt to various international funds and banks. Still, if a decision to the effect is taken Russia will agree with it, since it is basically not against the division of assets and liabilities of the former Soviet Union.

Masol, Chernomyrdin Meet in Kiev

LD0710203794 Moscow INTERFAX in English 1901 GMT 7 Oct 94

[FBIS Transcribed Text] Russian Prime Minister Viktor Chernomyrdin met his Ukrainian counterpart, Vitaliy Masol, in Kiev Friday night.

The meeting behind closed doors lasted for about half an hour.

Interfax-Ukraine learned that the meeting did not discuss any specific agreements between Russia and Ukraine.

Chernomyrdin will meet Ukrainian Prime Minister Leonid Kuchma [title as received] Saturday.

Chernomyrdin Marks Liberation Day

LD0710194394 Moscow ITAR-TASS in English 1913 GMT 7 Oct 94

[By ITAR-TASS correspondents Viktor Demidenko, Gennadiy Yezhov and Mikhail Melnik]

[FBIS Transcribed Text] Kiev October 7 TASS—The victory celebrated on the Ukrainian soil half a century ago was "a common joy of millions of people united by the hard war fate and the common great goal. This was the day of hope and belief in power of fraternal peoples capable to revive the ruined towns and settlements and start a new peaceful and constructive life. Today's 50th anniversary of Ukrainian liberation also belongs to all of us," Russian Prime Minister Viktor Chernomyrdin told a ceremonious meeting in Kiev on the occasion of the 50th anniversary of Ukrainian liberation from the Nazi occupation.

"Heroic defence of Kiev, Odessa and Sevastopol became a symbol of sacrificial will for freedom. The sacred brotherhood in arms consolidated in the whirl of war years near Kharkov and Lugansk, in Tavria and the Carpathian mountains," said the premier.

He reminded that the great talent of Georgiy Zhukov was fully revealed in fighting on the Ukrainian soil, and commanders Nikolay Vatutin, Andrey Yeremenko, Mikhail Kirponos, Ivan Konev, Rodion Malinovskiy, Ivan Petrov, Konstantin Rokossovskiy, Semen Timoshenko and Fedor Tolbukhin became famous there. However, the heaviest burden was carried by average soldiers and officers of the Red Army and sailors of the Black Sea Fleet. The premier paid them tribute and said that every third gold star of the hero was awarded for actions on Ukrainian territory.

The prime minister noted that the 50th anniversary of victory over the fascism will be marked on May 9, 1995, as a common holiday of all peoples of the Commonwealth. "As May 9 comes closer people increasingly think of our common roots, common interests, all that unites us," said the premier. Memory of the dead is sacred, it's a common pain, he noted.

Memory is "a road to the future. Our people, our states and our relations have it. These relations will always be special, no matter in what sphere," said Chernomyrdin.

Speaking of the Russian-Ukrainian relations, he said "cooperation and mutual assistance in the economy, politics, science, culture and defence are natural, as the

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air, for the two states". He said this means that the immediate task is to make the relations of the two sovereign independent states a strategic partnership that will correspond to bilateral vital interests. "I am confident that the world, primarily Europe, will gain from this situation", he said.

"The upcoming Russian-Ukrainian summit and the treaty on friendship, cooperation and partnership will help to achieve this goal," said Chernomyrdin.

"I am sure that Russia and Ukraine are on the verge of new horizons of their relations. We will not abandon these guidelines, they are clear and simple, they are understandable for our people because they are friendship and brotherhood, the strong spirit and nature of Ukrainians and Russians".

Yeltsin Sends Message to Ukrainian People

LD0710191094 Moscow ITAR-TASS in English 1846 GMT 7 Oct 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Kiev October 7 TASS—Russian President Boris Yeltsin wished happiness and prosperity to Ukrainian war and labor veterans and all the people of the Commonwealth republic. A message to the effect was read out by Russian Premier Viktor Chernomyrdin at a ceremonious meeting in Kiev on the occasion of the 50th anniversary of Ukrainian liberation from the Nazi occupation.

The message says that Russia attaches "great importance to the jubilee of liberation of fraternal Ukraine", whose people is related to Russia with a lasting and sincere friendship. "The just liberation struggle of the Russian, Ukrainian and other peoples of the former Soviet Union, which made a decisive contribution to the victory of the anti-Hitler coalition over the Fascism, has eternal historic importance for the fate of states-members of the Commonwealth, Europe and the whole world," says the message.

President Yeltsin confirmed the Russian intention to build its relations with Ukraine on principles of equality, mutual benefit and partnership. "I am confident that increasing close interaction of Russia and Ukraine in all spheres of interstate relations and international affairs will help their economic progress, consolidation of confidence and correspond to the interests and security in the world," says the message.

Kuchma Expresses Support for Aliyev

LD0810210494 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 8 Oct 94

[FBIS Translated Text] Ukraine's President Leonid Kuchma received Abbas Abbasov, Azerbaijan's first deputy prime minister. Leonid Kuchma expressed full support to Geydar Aliyev in overcoming the complicated political situation that emerged after the recent coup d'etat attempt in Azerbaijan. During the meeting, both sides discussed possibilities of expanding trade and economic cooperation between Ukraine and Azerbaijan. This, in particular, refers to the delivery of oil from Azerbaijan to our state.

Trade, Economic Accord Signed With Armenia

LD0710174094 Kiev UNIAR in Ukrainian 1440 GMT 7 Oct 94

[FBIS Translated Text] Kiev, 7 Oct—Ukraine's Prime Minister Vitaliy Masol and his Armenian counterpart, Grant Bagratyan, have signed a series of bilateral documents. Among these is a treaty on free trade, trade and economic cooperation, and the encouragement and mutual protection of investments. "Armenia is interested in cooperation with Ukraine," Armenia's prime minister said. "We wish further to develop trade relations between our countries and promote mutually advantageous contacts between the entrepreneurs of Ukraine and Armenia." Grant Bagratyan proposed that Vitaliy Masol should resolve the issue on opening Ukraine's embassy in Armenia as soon as possible.

Representatives of Ukraine's Foreign Ministry, External Economic Relations Ministry, Finance Ministry, National Bank, and other bodies took part in the ceremony of signing the interstate agreements.

National Assembly Pledges Support for Chechnya

LD0710142894 Kiev UNIAR in Ukrainian 1200 GMT 7 Oct 94

[FBIS Translated Text] Lvov, 7 Oct—Andriy Shkil, the chairman of the Ukrainian National Assembly's [UNA] Lvov Oblast committee said: "We are ready to give a helping hand to the fraternal Chechen people if the situation there gets worse. The fact that Ukraine has disassociated itself from the settlement of the Chechen conflict proves once more official Kiev's total inability to maintain any sort of foreign policy. Lending its support to Chechnya, Ukraine could obtain an invaluable vehicle for putting pressure on Russia, the way Moscow is using Crimea. The case of the Transdniester area and Abkhazia is repeating itself."

The UNA is planning to hold a session in Kiev, which a high- ranking delegation from Chechnya is expected to attend.

National Affairs

Franchuk Named Crimean Prime Minister

LD0710172394 Moscow ITAR-TASS in English 1552 GMT 7 Oct 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Simferopol October 7 TASS—The leader of the Crimean government was changed on Friday in a calm and civilised way. Yevgeniy Saburov

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congratulated Anatoliy Franchuk on his appointment as prime minister and wished him success. Saburov promised to help the new cabinet, especially in the implementation of the programmes that were launched by the "Moscow Team". "I hope that political confrontation manifested of late will not get in the way of the new government", Saburov said. At a meeting of the government apparatus he thanked everybody for cooperation.

Franchuk urged all members of the apparatus to keep their posts until the new government is formed. The prime minister is expected to form his team shortly.

Comments on Reforms

LD0810183194 Moscow ITAR-TASS in English 1657 GMT 8 Oct 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Simferopol October 8 TASS—"We have started to form a new government after the previous one peacefully resigned. I think I still have normal relations with the former government members," Crimean Prime Minister Anatoliy Franchuk told an exclusive ITAR-TASS interview.

The premier expects parliament deputies to suggest several candidates for government members. In his opinion, it will be a competition to result in a worthy government. "I want the cabinet to include new creative and original people," stressed Franchuk.

He does not exclude that the new government will be a buffer between the Crimean president and the parliament. If the cabinet works normally, the reforms will start in half a year and there will be no way back, he said. Franchuk said he does not like confrontation. "I have been a centrist all my life and do not want to get involved in political intrigues. My goal is to make Crimeans happy," he said.

Franchuk Profiled; Problems Viewed

MM1010132094 Moscow IZVESTIYA in Russian 8 Oct 94 p 2

[Report by Nikolay Semena: "Crimea Has Two Governments, But Things Are No Easier"]

[FBIS Translated Text] Simferopol—In accordance with the law on the government that has just come into force, the Crimean Supreme Soviet has appointed as Crimean prime minister Anatoliy Franchuk, who previously worked as deputy chairman of the Crimean Council of Ministers and was recently minister for the management of state enterprises in Ye. Saburov's government.

A. Franchuk was born in 1935 in Vinnitsa Oblast. In 1961 he graduated from Krasnoyarsk Polytechnical Institute and later from the USSR Academy of the National Economy; he is a radio engineer and a candidate of economic sciences. He has worked in Alma-Ata [Almaty] and Minsk; in the period 1980-1987 he was director of Simferopol's well-known "Foton" Television Plant, and from 1987 through 1990 he was USSR deputy minister of communications. In 1990 he returned to Simferopol to the post of deputy chairman of the Crimean Oblast Soviet Executive Committee, which he held until recently, albeit with a changed title and status.

In accordance with the new law A. Franchuk was nominated for the premiership not by the president but by parliament speaker S. Tsekov. Following his ratification the new head of government promised to submit proposals within the week regarding the membership of the Cabinet of Ministers and state committee chairmanships. Meanwhile he has to find a solution to a fairly tricky situation. Since Crimean President Yu. Meshkov did not meet the Supreme Soviet's demand for Ye. Saburov's government to be dismissed, it now looks as though Crimea will have two governments in practice—one appointed by the president and one appointed by the parliament. Will A. Franchuk admit to his cabinet any of the former ministers, in particular the Muscovites, in order to defuse the clashes, or will he be forced to allocate ministerial posts at the request of deputies from the "Russia," "Reform," "Republic," "Agrarian," and "Kurultay" factions that backed him? Will the new premier be free enough in his actions to form a coalition government based on professional rather than political considerations, and will he be able to find a common language with the president's team, which clearly does not like his candidacy, and with the "Russia-Unity" Faction, which refused altogether to take part in adopting the law on the government and in forming the cabinet?

Observers note that A. Franchuk, professional manager, pragmatist, and cosmopolitan, has tremendous potential to extricate the Crimea from crisis. At any rate he transformed the gigantic "Foton" plant fairly rapidly from being a backward plant into one of the frontrunners. His past high awards indicate his ability to work—he holds the Order of Lenin, the Labor Red Banner Order, and the Order of the Peoples' Friendship and has a USSR State Prize. He has undoubtedly retained useful ties in Moscow and may be in the Russian Government's good graces.

As for the Ukrainian Government, many people think that the fact that A. Franchuk is the father-in-law of L. Kuchma's daughter—his son married the Ukrainian president's daughter—could stand him in good stead, but it could also harm both leaders since close attention is already being paid now to the life and actions of the young couple, who are trying to prove themselves in business.

There is, however, fairly widespread skepticism in Crimea regarding the future government. It is thought that the failure to prepare for winter, the latest inflation spiral that has already begun in Ukraine, and the general economic difficulties caused by the poor harvest and drought which, according to meteorologists' forecasts,

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will be experienced for the next two years, will enable A. Franchuk's government, no matter how adept it is, to survive at best until the spring or summer. For this reason the Crimean Communist Party has voiced a fairly low opinion of the future coalition government's prospects and is not taking part in its formation. But, as always, life itself will show what happens....

Kuchma Appoints Defense, Deputy Ministers

WS1010154594 Kiev Ukrayinske Radio First Program Network in Ukrainian 1500 GMT 10 Oct 94

[FBIS Translated Text] Ukrainian President Leonid Kuchma today issued edicts appointing Valeriy Mykolayovych Shmarov as Ukraine's defense minister and Oleksandr Vasylovych Hashytskyy as Ukraine's first deputy minister for issues of nationalities, immigration, and religions. Serhiy Petrovych Brydchenko and Vasyl Hryhorovych Sereda have been appointed as Ukraine's deputy ministers for issues of nationalities, immigration, and religions. (?Yaraul Shalovych Kivisava), who has been relieved of his duties as deputy minister for issues of nationalities and immigration, has been appointed deputy minister [not further specified].

Kuchma Opens Meeting of Council of Regions

LD1010181194 Kiev UT-1 Television Network in Ukrainian 1700 GMT 10 Oct 94

[FBIS Translated Text] A meeting of the Council of Regions, which operates under the president of Ukraine, was held today. Members of the Council of Regions—chairmen of oblast councils of people's deputies and of Kiev and Sevastopol City Councils—took part in the meeting, which was held in the presidential offices. Ukrainian President Leonid Kuchma chaired the meeting. Prime Minister Vitaliy Masol, deputy head of the Council of Regions; Oleh Dyomin, deputy chairman of the Supreme Council of Ukraine; Dmytro Tabachnyk, head of the president's administration; as well as leaders of individual structural subdivisions of the president's administration and the Cabinet of Ministers of Ukraine took part in the work of the meeting.

Opening the meeting, Ukrainian President Leonid Kuchma told those present about the negotiations that were held in the last few days with heads of delegations of a large number of foreign countries that were in Kiev for the celebrations of the jubilee of Ukraine's liberation from fascism. Leonid Kuchma said that at this moment we had full understanding with all the states on all issues concerning our bilateral relations. The meeting of the Council of Regions discussed the Ukrainian president's draft speech, in particular the section on the basic principles of the economic and social policy, which is to be read out at a session of the Supreme Council. Prime Minister Vitaliy Masol informed those present of the basic areas of pricing policy in the forthcoming period.

We at the same time have to guard peace in our own home and do our best to avoid this calamity. Our attention should concentrate on strengthening the Ukrainian army's ability to defend us and increasing its personnel's prestige and social security.

I would especially like to underline here that Ukraine will not relinquish the principle of equality in international relations and will tolerate no interference in its internal affairs. The issues of our territorial integrity and sovereignty are not subject to discussion.

The Ukrainian state has pursued and will pursue a peace-loving foreign policy. We were the first worldwide to set an example of voluntary nuclear disarmament. We at the same time hope that the world community will participate in providing in international law firmer guarantees of Ukraine's security and compensating our expenditure on disarmament and settlement of the ecological problems that accompany it.

The three years of the Ukrainian state's independence were not all simple and festive in our life. As well as social, religious and regional contrarieties, there have been political collisions, which remain acute. We, however, have had enough patience, wisdom and responsibility to refrain from violent means to resolve these and many other serious problems.

The chief duty of the president, in his view, is to maintain and consolidate peace and calm in Ukraine as the main prerequisite of consistently reforming society. [applause] We have to understand that even a local clash can have such political and economic consequences as to deprive Ukraine and its people of any historical perspective.

I appeal to every political party, public organization and politician to ensure before all else the supremacy of the idea of national concord and peace and abandon any extremism in achieving their goals. I suggest that the complex socio-economic situation should not be made use of in the narrow interests of a party or a group. This will benefit nobody but harm everybody and primarily the people. [applause]

We can only survive and establish ourselves as a state and a nation in being together, with such unity and togetherness as those characteristic of us in the Great Patriotic War. Your determination, courage and bravery in the years of the harsh trial and your selflessness in peacetime work, dear veterans, graphically illustrate and command that we should safeguard and build our state in the name of the people and in the name of life in justice. You are the moral foundation of our society and our pride. [passage omitted]

Ukraine can and must be a prosperous state and this is what it will become. The guarantee of this is our people, who are the people of the victors and the labourers. I congratulate you, dear compatriots and our respected guests, on the great anniversary of the liberation, victory and peace. Thank you.

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Kuchma Speaks on World War II Anniversary

LD0810105794 Kiev Radio Ukraine World Service in Ukrainian 1400 GMT 7 Oct 94

[Speech by President Leonid Kuchma at ceremony to mark the 50th anniversary of Ukraine's liberation in World War II at the Ukraine Palace in Kiev—live]

[FBIS Translated Excerpt] Dear compatriots and esteemed guests: Among many grand dates in our history, the liberation of Ukraine from the fascist invaders occupies a special place. [passage omitted]

The price of political adventures originating from beer halls can be abominably high. Ukraine experienced this in full. We now have to make every effort to stop the orgy of crime, block the road of political speculation, and end the propaganda of ethnic animosity, calls for violence and attempts to settle conflicts by force, all of which must encounter the most resolute and active resistance of society. [applause].

It is clear that any efforts of ours in this respect can only be effective if we are able to check the fall of production, create a fresh incentive to productive work and raise most population's living standards. [passage omitted]

Our people's labor and combat accomplishments and superhuman suffering and patience to us are an example and a command to secure peace, consolidate international concord and friendship, prevent conflict, in a joint effort overcome all problems and ensure worthy conditions of human life.

Dear compatriots, esteemed guests and comrades. Ukraine is celebrating the 50th anniversary of its liberation from the fascist invaders as an independent, sovereign state, which was what its people spoke for in December of 1991 and the will of the people is a law. The people, however, do not reject common history, with the Soviet people's victory in the Great Patriotic War occupying a special place in it. Nor do they reject cooperation in the interests of the peoples and those of the establishment of our independent states.

Those who withstood what occurred half a century ago and won, will not forgive us if we flout fraternity laws.

I am firmly convinced that only together and under conditions of equal and mutually beneficial cooperation shall we be able to be through the transitional stage of state establishment quicker and join the world community worthily.

Nation building is a complex undertaking requiring patience, social unification, civil accord and peace, and an end to the ethnic split that began back in the prewar years and continues at present, not infrequently artificially incited.

It is clear that accord in society is only possible on the basis of historical truth as a means of conciliation. The initiative here should above all be taken by objective research, documents and participants in and witnesses to what happened, rather than politicians. Contemporary and future generations must be aware of every drop of blood and every tear shed by our people. [applause]. The blessed memory of those who perished at the front or were tortured to death by Nazis must become our spiritual support on course toward the establishment of our state and social consolidation, and reconcile both the living and the dead regardless of their nationality, political views and religious beliefs. After all, Ukraine is the one home for all of us.

The celebration of the 50th anniversary of Ukraine's liberation is also an occasion to issue a warning against war.

The use of it as an argument in politics is totally unjustifiable. No grandest political ambition is worth the life of a human being. Unfortunately, human blood is being spilled and large-scale and small-scale wars are raging on our planet even today. Fratricidal conflicts are ever nearer the territory of Ukraine, with their nature in some regions of the former Soviet Union becoming continuous. This breaks our hearts because they are our neighbors, because our relatives, acquaintances and friends live there, and because the Ukrainian people are peaceloving and wish everybody peace and well-being.

Conservative Party Leader Charges Election Violations

WS1010115994 Kiev VYBIR in English 0125 GMT 10 Oct 94

[Interview With Stepan Khmara, chairman of the Conservative- Republican Party of Ukraine, identified as "S.K.", by VYBIR correspondent identified as "UPressA"; place and date not given—from the "Current Interview" feature]

[FBIS Transcribed Text] UPressA—How do you assess the fact that ex-President Kravchuk was running for the parliament?

S.K.— This fact, to put it mildly, does not raise the prestige of presidential post but when Kravchuk decided to do so he at least had to show the example of sticking to "the rules of game". However, everything was quite the opposite during the elections in Terebovlyansky constituency in Ternopyl region. Our anarchy and lawlessness revealed themselves there to the fullest extent.

UPressA—What namely were violations of elections law there?

S.K.—We registered 52 violations on the day of elections alone. Pro-Kravchuk propaganda was carried on right at the polling stations and inside them. Heads of polling stations did not try to do anything about that. A day before the elections, they had been told not to sign any documents concerning the violations.

UPressA—Probably, you could turn to news media...

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S.K.—News media fully supported Kravchuk. Only once a local newspaper published my interview. Kravchuk's team used 5 hours of local TV time while our candidate was not permitted to tell about his program on TV. Only after Kravchuk had given 1.5 hours TV interview, each candidate had 6 minutes of TV air 10 days prior to elections.

When we prepared 1 hour TV program devoted to our candidate, Kravchuk's team organized the nonsanctioned meeting near the TV studio protesting about the program. Local electoral commission prohibited to broadcast the program. It was shown next day in working hours only after interference of the director of the state TV and radio company of Ukraine. A lot of people went to cultivate their vegetable gardens and did not watch the program. Nice weather, harvesting time...

UPressA—But Kravchuk's team also faced the problem of nice weather and harvesting...

S.K.—Directors of local enterprises provided the transport to bring their employees to meetings with Kravchuk even in working hours while the meetings of electors with his opponent were blocked. The lies were spread against members of our teams. For instance, Larysa Skoryk went to local villages telling that I am the agent of communists and Moscow, that I am against construction of oil terminal in Odessa. To prove this, she showed the fabricated lists of roll-call vote in the parliament. We will apply to court to this effect.

UPressA—Were the electors so blind and did not see which candidate was better?

S.K.—Those poor peasants are inadequately informed about the events in our country. They spend most time in fields and do not think why Kravchuk gave our weapons and Navy to other countries, how he was protected by mafia that plundered Ukraine. Besides, Kravchuk was backed by directors of collective and state farms who know well how to handle their "slaves"?

Be that as it may, Kravchuk would not be his own self if he acted decently and honestly. He wants power, nothing else. My attitude towards his can explained by one word—disgust.

UPressA—Thank you.

'Text' of Edict on Enterprise Debt Settlement

WS1110104994 Kiev INTELNEWS in English 0002 GMT 11 Oct 94

["Special to INTELNEWS" from the "On the Books" feature]

[FBIS Transcribed Text] One of Ukraine's most pressing economic problems is the large amount of unsettled internal debts. Cash-strapped enterprises have been unable to pay back the state or each other for fuel and supplies received, but neither has there been a clear method for meeting payment obligations. To create better mechanisms to overcome the payment crisis and increase enterprise accountability for timely payments (also required by the Constitution of Ukraine, Article 114-5, Paragraph 7-4), the President issued on Sept. 14 decree 530/94 concerning the issuing and turnover of promissory notes for the settlement of mutual enterprise debts. In this week's On The Books, the legal department of parliament provides INTELNEWS with the full text of the decree:

(1) Starting from the date of signing of this decree, the National Bank of Ukraine (NBU) shall ensure through the system of commercial banks of Ukraine that the mutual offset of debt of subjects of entrepreneurial activity is executed.

The subjects of entrepreneurial activity shall execute by November 1, 1994, state debts (including bank debts) by means of promissory notes from creditors with the date of payment set for February 28, 1995.

This decree shall be valid for all billing between businesses using promissory notes in accordance with article one (1).

The amount of liability incurred on a single note shall not exceed KBV [karbonvanets] 100 million.

(2) Subjects of entrepreneurial activity shall be exempted from paying the duty for draft forms established by the Nov. 2, 1994 presidential decree 504 "On Paying Government Duty for Draft Forms."

(3) If a subject of entrepreneurial activity refuses to meet payment obligations for debts by promissory note according to article 1 of this decree, the creditor shall have the right to write off the amount of debt and declare such a subject of entrepreneurial activity bankrupt to meet the claim made on it.

(4) The transfer of notes shall be executed by the holder of a note to the other subjects of entrepreneurial activity of Ukraine by endorsement. The discount rate on the note shall not be restricted.

When a note reaches maturity, it shall be presented to the holder of a note or to endorsers for payment.

(5) When calculating the taxable income of a holder of a note, the amount of liability on a note which is registered but not discharged, shall not be taken into account.

(6) A subject of entrepreneurial activity of Ukraine which issued a note or assumes accountability for the turnover of notes for another property shall be responsible for covering the liabilities of properties that it owns or of those it has been assigned. At the same time, the claim of a creditor on a subject of entrepreneurial activity shall be made in the order established by the law on bankruptcy.

(7) In case of non-fulfillment of liabilities on notes by the subjects of entrepreneurial activity of Ukraine that are state-owned and the property of which is not subject to

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privatization according to the legislation of Ukraine, such a subject shall be liable to review in the established order. The state executive authority responsible for management in the sphere of activity to which the subject belongs shall have the right to cancel contracts in negotiation with the head of this subject of entrepreneurial activity.

(8) The Cabinet of Ministers with the participation of the NBU shall:

—submit to the President weekly information regarding the course of execution of this decree.

—prepare and submit by November 1, 1994 for parliament's consideration a draft legislative act on the taxation of notes and creating a body responsible for dealing with infringements connected to the turnover of notes.

—bring government decisions in line with this decree.

(9) The NBU shall provide commercial banks of Ukraine during the period of November 1994 through February 1995 with up to 10 percent of all the credit emissions necessary for operations connected with the turnover of notes.

(10) This decree goes into effect from the date of signing.

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Belarus

Lukashenka on Moscow Location for CIS Committee

LD0710211494 Moscow INTERFAX in English 1903 GMT 7 Oct 94

[FBIS Transcribed Text] Belarusian President Alyaksandr Lukashenka, who is now on a visit to Ukraine, discussed with Ukrainian President Leonid Kuchma where the CIS Inter-State Economic Committee must be placed today.

Lukashenka said in an interview with Interfax that he was against placing the economic committee in Moscow. He said it should be in Minsk adding that Kuchma shared his opinion.

"I understood from the meeting with Leonid Kuchma that he experiences many difficulties now. He needs support now, especially from the neighboring fraternal republic," Lukashenka said.

Lukashenka said he and Kuchma had realized that they should hold one more meeting which would be tete-a-tete. At such a meeting the presidents would like to discuss the issue of Belarus' property in Ukraine and payment of Ukraine's debt to Belarus.

Commenting on the efficiency of the bilateral agreements, Lukashenka said most of them were not being carried out. He said Belarus must bear a part of the responsibility for this as Belarus had not paid due attention to relations with Ukraine. He said he was sure that the situation with Belarusian-Ukrainian relations would significantly change for the better.

Wants Economic Committee in Minsk

LD1010174694 Moscow INTERFAX in English 1554 GMT 10 Oct 94

[FBIS Transcribed Text] The question of where the headquarters of a would be CIS Economic Committee is to be based came high on the agenda of recent talks in Kiev between Belarussian and Ukrainian Presidents Alyaksandr Lukashenka and Leonid Kuchma. In an interview with Interfax, Lukashenka spoke of being opposed to the idea of having the agency's headquarters in Moscow. He said the committee's headquarters must be in Minsk, a view that is also shared by his Ukrainian counterpart.

For his part, First Deputy Foreign Minister Valeriy Tsepkalo said the future of the Commonwealth is largely hinged on where the committee will be.

He warned against giving a cause to other CIS leaders to accuse Moscow of imperial ambitions to fan up the already high tension within the Commonwealth. Lukashenka and Kuchma meeting in Kiev last Friday had both agreed that politically, Minsk is the best place for the new agency's headquarters given that the CIS head office and other CIS structures are in the Belarussian capital, Tsepkalo said.

IF Note: The whole spectrum of bilateral relations came on the agenda of the Lukashenka-Kuchma meeting. In an interview with Interfax, Lukashenka spoke of gathering the impression that the Ukrainian leader was in a difficult position and needed support, especially from its neighbor, Belarus. The two sides, he said, are now well aware of the need for a private summit to discuss the problem of Belarussian assets in Ukraine and Kiev's debt to Belarus. Lukashenka complained that many of the bilateral agreements failed to stick blaming his country for a lack of attention to relations with Ukraine. He is confident about an impending change for the better.

Border Guards Commanders Discuss Plans

LD0710205194 Moscow INTERFAX in English 1903 GMT 7 Oct 94

[FBIS Transcribed Text] Commanders of the Russian and Belarussian Border Guards Troops, Colonel-General Andrey Nikolayev and Colonel Vasiliy Morkovkin, spoke in favor of creating a permanent international organization for fighting crime and illegal migration and organized crime.

During their working visit in Minsk today the commanders decided to discuss the proposal with the commanders of border guards of Hungary, Moldova, Poland, Romania, Slovakia, Ukraine and the Czech Republic.

Nikolayev and Morkovkin signed a protocol confirming that cooperation on defense of the two countries' borders had been enlarged.

At a briefing on the results of the meeting Morkovkin said the parties had agreed to hold a joint exercise between border guards of Belarus, the North-Western Border District, Russia's Kaliningrad and Western groups of border guards on defense of the borders of Belarus and Russia with Latvia, Lithuania and Poland on joint sections of the borders. The exercise will also be aimed at coordinating actions of border guards on the border with Ukraine. It is expected to take place before November 15.

Nikolayev said that working groups would be created for making proposals on the establishment of a single regime for the defense of the state borders of Belarus and Russia with Latvia, Lithuania and Poland before October 30. The working groups will be led by the commanders of the headquarters.

Commanders Sign Cooperation Protocol

LD0710150394 Moscow ITAR-TASS in English 1310 GMT 7 Oct 94

[By BELINFORM correspodent Aleksandr Limanovskiy for TASS]

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[FBIS Transcribed Text] Minsk October 7 TASS—Andrey Nikolayev, commander-in-chief of Russia's frontier forces, on Friday completed his one-day working visit to Minsk.

A protocol on the results of his meeting with Vassiliy Morkovkin, commander of Belarus border troops, was signed. The two commanders discussed matters aimed at promoting further closer integration of the border troops of the two neighbouring countries.

Nikolayev also met with Belarus President Alyaksandr Lukashenka. In response to journalists' questions at a final briefing, the c-in-c of Russian frontier forces pointed out that his contacts with the president of Belarus were a logical continuation of the recent meeting between Lukashenka and Russian President Boris Yeltsin.

Russia Accused of Breaking Dniester Peace Agreements

LD0710200694 Moscow ITAR-TASS in English 1953 GMT 7 Oct 94

[By ITAR-TASS correspondent Valerly Demidetskiy]

[FBIS Transcribed Text] Kishinev [Chisinau] October 7 TASS—Moldavia's [Moldova] Deputy Interior Minister Viktor Katane accused Russian and the Dniester enclave's members of the Committee on Peace in the Conflict Area of miscompliance with the Russian-Moldavian settlement agreement.

Speaking in the parliament, Katane, Moldavia's delegate to the committee, said all proposals of Kishinev for stabilisation in the conflict area were declined by Dniester representatives, who are backed by Russia's committee members.

"Moreover, Russia ignored the agreement and in fact recognised the Dniester region's unlawful military formations, and agreed to the forces' replacing of the Russian peacekeeping forces," the deputy interior minister said.

According to Katane, one Russian peacekeeping battalion has already pulled out of the separation zone between the conflicting parties. He said the Dniester region's armed forces had enlarged recently to be able "to organise large-scale bloodshed in case of any provocations." Katane made another call on parliamentarians to speed up the negotiation on settlement since the region's fragile peace "cannot be maintained for ever."

ITAR-TASS was told in the Peace Committee that Russia motioned to hold consultations on reduction of peacekeeping forces since it is Russia who bears most of financial burden to keep them. The reasoning behind the initiative is that the situation in the Dniester regions is showing some stabilisation and the move would reduce the cost of keeping close to 3,500 Russian, Moldavian and Dniester region's troops in the area.

Transportation Agreement Signed With Lithuania

LD0810131794 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 8 Oct 94

[FBIS Translated Text] Negotiations between the Lithuanian and Belarusian Government delegations were taking place in the (?Sosny) settlement in the Minsk district on 7 October.

The Lithuanian delegation was led by Prime Minister Adolfas Slezevicius. It included: Kazimieras Klimasauskas, minister of industry and trade; Transport Minister Jonas Birziskis; and Rimas Sidlauskas, secretary of the Ministry of Foreign Affairs. The Belarusian delegation consisted of Prime Minister Mikhail Chyhir, Foreign Economic Relations Minister Mikhail (?Marinich), Industry Minister Uladzimir Kurankow, and Deputy Foreign Minister (Stanislav Augustov).

The negotiations continued until late at night. In conclusion, a joint protocol of the meeting was signed. Discussions took place at the meeting on a whole range of political and economic issues that are of interest to both sides.

The heads of governments agreed that an agreement on trade and economic cooperation and agreements on the promotion and protection of investments and the prevention of double taxation would be drawn up and signed in the nearest future. Individual ministries will be instructed to draw up agreements on the rationalization of the flow of cargoes, a reduction of transport fees, and mutual privileges in transit.

Separate discussions took place on a more effective use of the Klaipeda port and the mutual use of air space. Both delegations promised to put into effect as soon as possible an agreement on a simplified border crossing by people residing near the border. Joint work of customs offices on the border crossing points was agreed on.

The heads of governments endorsed proposals by the joint commission of experts on the state border line in the area of [word indistinct] and Adutiskis railway station.

A common view was reached in defining the status of the Belarusian sanatorium in Druskininkai. The Belarusian delegation accepted a Lithuanian proposal to rent the land on which the sanatorium is situated. The Lithuanian Government will ask the Seimas to define the dependence of the buildings themselves.

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Kazakhstan

Nazarbayev Accepts Resignation of Government

LD1110110494 Moscow ITAR-TASS World Service in Russian 1041 GMT 11 Oct 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Alma-Ata [Almaty], 11 Oct—President Nursultan Nazarbayev of Kazakhstan has just accepted the resignation of the government of the republic.

The Cabinet of Ministers decided to lay down its powers at a session held this morning. It is now drawing up an appropriate statement which will be issued.

The government gives as the grounds for its resignation the major miscalculations and omissions it has made. In particular, the fact that it "was unable to concentrate efforts on the priority targets of transforming the economy and ensuring that the program of deepening reforms and emerging from the crisis was implemented in a timely and effective way." The Cabinet of Ministers also admits that it failed to mobilize all the structures of executive power, including those in the localities, for effective and purposeful work."

Tereshchenko Cabinet To Stay Temporarily

LD1110130494 Moscow Ostankino Television First Channel Network in Russian 1152 GMT 11 Oct 94

[From the "Novosti" newscast]

[FBIS Translated Text] Kazakhstan's President Nursultan Nazarbayev today accepted the resignation of the entire government of the republic. The president reported in a statement for the press that the cabinet headed by Sergey Tereshchenko will perform its duties until a new government is formed. In Nazarbayev's opinion, this will happen in the next few days.

Foreign Ministry Statement on PRC Nuclear Test

LD0710181294 Moscow ITAR-TASS in English 1759 GMT 7 Oct 94

[By ITAR-TASS correspondent Vladimir Akimov]

[FBIS Transcribed Text] Alma-Aty [Almaty] October 7 TASS—Nuclear tests on the Lob-Nor experimental range in China are "undermining the Nuclear Nonproliferation Treaty regime against the background of present realities in the world nuclear policy," a statement by the Foreign Ministry of Kazakhstan says in connection with an atomic explosion on October 7. The text of the statement was released by the KAZTAG agency.

"The nuclear tests on the Lob-Nor proving ground located in close proximity to the Kazakh-Chinese border are fraught with serious damage to the medical-and-biological and technogene environment in the region," the document says.

"China as one of the largest and influential states in the world is bearing a special responsibility for maintaining peace and stability, the statement stresses.

"Kazakhstan would welcome a decision by Chinese leadership to stop nuclear blasts and join in the process of the universal ban on nuclear tests," the document points out.

Almaty Wants 'Distinct Definition' of Caspian Shelf

LD0710205794 Moscow INTERFAX in English 1903 GMT 7 Oct 94

[FBIS Transcribed Text] Kazakhstan wants to see a "distinct definition of the boundaries of sections of the Caspian Sea in which each Caspian state may develop raw hydrocarbons," Minister for Geology and the Protection of Underground Resources Serik Bekdaulkayev told Interfax.

Bekdaulkayev said Almaty wanted that definition to take place in accordance with international standards and the development of offshore Caspian deposits to have as much legal protection as possible.

Oil and gas deposits are currently being explored by the US companies Western Atlas and DGSEIS Overseas (winners of a tender), the former in shallow and medium depth waters and the latter in deep water.

DGSEIS Vice-President Kintel MacNiel told Interfax geological exploration in those sections of the Caspian shelf would cost around $12 million and would take two to three years. The Kazakh sections of the Caspian Sea contain enough raw hydrocarbons to produce 2 billion tonnes of conventional fuel.

Tajikistan

Abdullodzhonov Presents Election Platform

LD0710191694 Moscow INTERFAX in English 1702 GMT 7 Oct 94

[FBIS Transcribed Text] Presidential candidate, former prime minister, now Tajik Ambassador to Russia Abdumalik Abdullojonov will do his best to normalize the situation in the country, if elected as its president, according to his address to the people published in Dushanbe Friday.

"The political and economic crisis, the government's failure to fulfill its pledges, non-payment of wages and pensions, shortages of food and medications, outflux of ethnical Russian population and specialists, legal mess, crime and corruption have become today's realities," the document stipulated.

If elected president, Abdullojonov will maintain an "active fight against these negative phenomena." He pointed out he "had to leave the office of chairman of the

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Ministers' Council in December 1993" and "was deprived of a possibility to implement my plans and intentions in this respect."

The presidential candidate also said his election platform would be "based on the principles of peace, unity of all people and the eradication of parochialism and regional separatism." "Tajikistan's future is in its ethnic diversity, closer cooperation with the U.N., CSCE, Russia, Uzbekistan, United States and other countries and observing all norms of international law," the address said.

Two registered candidates, current leader Emomali Rakhmonov and Abdullojonov, are contending for Tajik presidency.

Independent observers do not rule out the possibility that the presidential elections scheduled for November 6 could be postponed again. Sources close to the republic's government told Interfax that the CSCE envoy, director of the Democratic Institutions and Human Rights Bureau Audrey Glober stayed on a working visit in the republic recently. She said the CSCE remarks and conclusions as to the Tajik law on presidential elections made at the request by the Tajik leadership were not "taken into account." In particular, she says all political parties, including opposition ones, must be entitled to nominate their candidates for the republic's presidency.

Electoral Commission Chairman on Campaign Plans

LD0710170694 Dushanbe Radio Tajikistan in Russian 0400 GMT 7 Oct 94

[FBIS Translated Text] The period for nominating candidates for the presidency of the Republic of Tajikistan is now ending and the election campaign is entering a new stage. This is what Kadriddin Ghiyasov, chairman of the Central Electoral Commission for the presidential elections said in this connection to a KHOVAR news agency correspondent. On 11 October registration of candidates will be complete in the republic and then campaigning work for the nominated candidates will begin. So far, Emomali Rakhmonov, the head of state and chairman of the Supreme Council of Tajikistan, and Abdumalik Abdullojonov, the ambassador extraordinary and plenipotentiary of our republic to the Russian Federation have registered their candidacies for the supreme state post.

The Central Electoral Commission will do its best to ensure that candidates have equal opportunities for presenting their programs to the electorate. To this end the organization of speeches by presidential candidates in newspapers and on television and radio will be planned. According to the law on elections, each candidate can have 15 election agents. The Central Electoral Commission will issue them with identification cards at the request of the presidential candidates.

Sixty-four constituencies and 2,700 polling stations have been created in Tajikistan. Constituency electoral commissions, together with regional, town and district executive committees, are asked to organize meetings between the presidential candidates and voters. This activity will continue until 5 November, i.e., will end one day before the elections.

Official Denies Deputies' Election Boycott

LD0810082894 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 7 Oct 94

[FBIS Translated Text] Nabijon Karimov, the press secretary of the head of state of Tajikistan resolutely rejected a report from the ITAR-TASS agency, broadcast by Russian Mayak Radio on 6 October, which, quoting Ulfat-Khonum, a staff member of the opposition council of democratic forces of Gorno-Badakhshan autonomous region, said that the session of the regional council of people's deputies had allegedly boycotted the presidential elections in Tajikistan.

Karimov reported that the session considered only two issues: The state of the budget and the nomination of a candidate for the presidency. Having discussed the second issue, the deputies took into account the complicated political situation and economic difficulties in the Pamir mountains and came to the common opinion that in present conditions it is practically impossible to collect the necessary amount of votes from the electorate in support of the deputies' candidate for the presidency.

Consequently they adopted a resolution not to nominate a candidate for the presidency from the council of Gorno-Badakhshan autonomous region. However, as Nabijon Karimov underlined, this does not mean at all that the session boycotted the elections. Moreover eight constituencies and 249 polling stations have been set up in the mountainous region where the electorate will express their attitude to the draft constitution and the candidates nominated for the presidency of the country by other councils and public organizations. The press secretary noted that the spreading of unverified facts by parts of the media at this important time for the republic will not promote the stabilization of the situation.

Rakhmonov Nominated for Presidency 'Four Times Over'

MM1010141 94 Moscow PRAVDA in Russian 8 Oct 94 p 1

[Report by Alisher Niyazov: "Where the Voting Slips Should Be Printed"]

[FBIS Translated Text] Dushanbe—A meeting of people's deputies representing rayons of republic jurisdiction has been held in Dushanbe. There was only one item on the agenda: the nomination for the Tajik presidency. Rare unanimity was exhibited by the deputies assembled in the conference hall of the republic's former State Planning Committee building. All 154 who had come to

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Dushanbe voted in favor of the candidacy of Supreme Council Chairman E. Rakhmonov.

He thus found himself nominated as candidate for the presidency four times over: from Khatlon Oblast, from the Youth League, from the Council of Trade Unions, and now from the rayons of republic jurisdiction. High-ranking officials in the republic's government and Supreme Council began talking—as if on a signal—in the local mass media about the impossibility of a change of power in the shape of Rakhmonov in conditions of interclan chaos. Meanwhile they present his main rival, Tajikistan's Ambassador to Russia Abdumalik Abdullodzhanov, nominated by Leninabad Oblast, as a figure of at best regional stature, hinting that his election as president will upset the prevailing balance with subsequent complication of the situation in Tajikistan.

At the end of last week the action group for the nomination of Abdullodzhanov to the supreme office sent via the head of the Central Electoral Commission a letter to UN Secretary General Butrus Ghali which indicated the need to produce voting slips and ballot boxes outside Tajikistan. The objective is to prevent any falsification of the results of the voting. It is also proposed that a commission involving people's observers be set up to check out the rolls of voters living in rayons of armed confrontation and outside Tajikistan.

In response to your PRAVDA correspondent's request that he comment on this move, Central Electoral Commission Chairman Kadriddin Giyasov said that the organ he heads is the guarantor that fears of any kind of manipulation during the presidential race are groundless. Nor, in his opinion, is there any need for voting slips and ballot boxes to be produced outside Tajikistan, especially since this would require huge amounts of hard currency. "But the most important thing is that Tajikistan is a sovereign state, and I have not heard of precedents anywhere abroad," Giyasov said in summation.

Rakhmonov Rules Out Postponing Elections, Referendum

LD1010195094 Moscow INTERFAX in English 1706 GMT 10 Oct 94

[FBIS Transcribed Text] The presidential elections and the referendum on a new republican Constitution in Tajikistan scheduled for November 6 will not be postponed, Tajik President Emomali Rakhmonov told journalists in Dushanbe Monday.

In answer to an Interfax question, Rakhmonov said all political prisoners in Tajikistan would be amnestied. The UN will supervise their exchange for government servicemen captured by the opposition.

"We will be glad if the opposition changes its attitude" towards the elections and referendum, if not, it will be their problem," Rakhmonov said.

Commenting on Tajikistan's economic situation, Rakhmonov said he was not "inclined to dramatize the situation, though it was really difficult." As many as 15 trillion rubles will be needed to restore the republic's economy, he added.

Rakhmonov believes that "putting up obstacles to Tajikistan's full joining of the ruble zone" worsens the economic situation. "From our side, all documents have been prepared and all conditions have been met, but the question still remains open," he pointed out.

CSCE Not To Send Observers for Elections, Referendum

LD1010195294 Moscow INTERFAX in English 1706 GMT 10 Oct 94

[FBIS Transcribed Text] The CSCE does not intend to send its observers to monitor the presidential elections and the referendum on adopting a new constitution in Tajikistan planned for November 6, a member of the CSCE mission to Dushanbe Yanuvz Wawrzyniok told Interfax today.

He said the CSCE would send a technical group to Tajikistan to give consultations. Wawrzyniok said that the right to vote is not observed as strictly in Tajikistan at the present moment as in the CSCE member-states.

Wawrzyniok said he believed that, in particular, the procedure for putting forward candidacies for the Tajik presidency "did not conform with international standards" as a candidacy could be put forward only by administrative bodies and political parties and a candidate could not put forward his own candidacy . "Given such a situation the opposition can not put forward its candidate for the presidency as is done in other countries," he stressed.

Wawrzyniok said that within the context of the present situation in Tajikistan it was very hard to collect the signatures of 5

of voters which is required in order to register as a candidate for the presidency (the Tajik population is now about 5 million). He said that this explained why "only two candidacies" for the presidency had been put forward in Tajikistan. These are the present Chairman of the Tajik Parliament, Emomali Rakhmonov, and former Tajik premier, Tajik Ambassador to Russia, Abdumalik Abdullodzhanov.

Registration of Presidential Candidates Ends

LD1110092994 Moscow ITAR-TASS in English 0751 GMT 11 Oct 94

[By Tajik news agency KHOVAR correspondent Negma Achilov for TASS]

[FBIS Transcribed Text] Dushanbe October 11 TASS—The registration of presidential candidates concludes in

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Tajikistan on Tuesday. The Central Electoral Commission for the presidential elections in Tajikistan reported that a canvassing campaign begins. Presidential candidates will meet constituencies, appear on television, go on the air and give interviews to newspapers.

There are two candidates for the presidency in Tajikistan—Speaker of the Tajikistan parliament Emomali Rakhmonov and Tajikistan's Ambassador to Russia Abdumalik Abdulladzhanov. The Central Electoral Committee has endorsed certificates of campaign officials. Under the law, each presidential candidate has 25 campaign officials.

Observers note that questions of overcoming a deep economic crisis in Tajikistan will be tackled in the election programmes of both candidates. At a meeting with the press on Monday Emomali Rakhmonov said that Tajikistan does not intend to introduce its own currency. The drafting of the documents for a merger of the monetary systems of Tajikistan and Russia has been concluded.

UN Group Holds Meeting on Temporary Cease-Fire

LD0710135494 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 7 Oct 94

[FBIS Translated Text] The first working meeting between the government's coordination group for cooperation with UN observers supervising the intra-Tajik temporary cease-fire and the UN technical research group was held yesterday. At the end of the meeting a briefing was organized for local and foreign journalists. Opening it, [name indistinct], the head of the UN observers permanent mission in Tajikistan, said that the presence of his organization's group in this country reflects the attention which Secretary-General Butrus Butrus-Ghali devotes to this problem, the striving of the world community to tackle the conflict by peaceful means.

Bahodur Abdullayev, head of the Tajik group and deputy minister for security, spoke to journalists about the tasks ahead and the work which will be carried out jointly with the UN representatives, noting that this will be carried out through very close contacts.

For his part, [name indistinct], director of the UN department for supporting peace and head of the technical group, spoke about the aims of his group. He highly assessed the dialogue between the two sides at their working meeting and stated that he intends to pass on the personal message of Butrus Butrus-Ghali to both sides, in which the secretary-general calls on them to show restraint.

According to the UN representative, the group intends to complete their work on questions related to technical matters such as communications and measures for security, which are necessary for successful implementation of the tasks by the main group of UN military observers [words indistinct] next week.

Answering journalists' questions, [name indistinct] noted that the main task facing the military observers is [word indistinct] implementation of the conditions of the Tehran agreement on a temporary cease-fire.

Uzbekistan

Tajik President Arrives in Tashkent

LD0810083394 Tashkent Radio Tashkent Network in Uzbek 0600 GMT 8 Oct 94

[FBIS Translated Text] Today Emomali Rakhmonov, chairman of the Supreme Council of the Republic of Tajikistan arrived in Tashkent on an official visit. Uzbek President Islam Karimov welcomed the high- ranking guest at Tashkent airport, which was decorated with the state flags of the Republics of Uzbekistan and Tajikistan. It is envisaged that the talks between the leaders and delegations of the two countries will focus on the implementation of documents signed within the framework of the CIS, (development) of mutually beneficial contacts, and further developing the existing relations between the two countries. Khalilov, acting chairman of the Supreme Council of the Republic of Uzbekistan; First Deputy Prime Minister Jurabekov; Ghulomov, state adviser to the president, and other official figuares participated in the reception ceremony. [name indistinct] Berdiyev, temporary representative of the Republic of Tajikistan accredited to Uzbekistan was also present at the reception ceremony.

Karimov Pledges Assistance

LD0810113194 Tashkent Radio Mashal in Uzbek 1000 GMT 8 Oct 94

[FBIS Translated Text] Today Uzbek President Islam Karimov and Emomali Rakhmonov, chairman of the Supreme Council of the Republic of Tajikistan held one-to-one talks. After this an expanded meeting was held between members of the delegations of the two countries with the participation of both leaders. At this meeting President Karimov stated that the normalization of the sociopolitical situation in Tajikistan and ending the clashes on the Tajik-Afghan border are not only the work of the Tajik Government but also requires the serious attention of the whole world community. Our country's leader outlined the readiness of Uzbekistan and the Uzbek people to get Tajikistan out of the current economic crises and to lower the burden of the Tajik people, and to ensure the supply of food and other necessities. Rakhmonov spoke on the friendly relations between the two peoples, dating back many centuries, and expressed gratitude for the continued assistance by the Uzbek people to the fraternal Tajik people.

During the talks a declaration on further developing and expanding multilateral ties was signed. Karimov and

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Rakhmonov placed their signatures on this document. After this a news conference was held with journalists. The leaders of both countries provided detailed answers to the questions put by the journalists.

Rakhmonov Expresses Gratitude

LD0810170694 Tashkent Radio Tashkent Network in Russian 1400 GMT 8 Oct 94

[Speech by Tajik Supreme Council Chairman Emomali Rakhmonov given at a joint Tajik-Uzbek news conference in Tashkent; date not given—live or recorded]

[FBIS Translated Text] Today's summit with esteemed Islam Abdyganiyevich Karimov and the signing of a declaration is for us, the people of Tajikistan, above all, one more page in our development. The declaration stresses bilateral cooperation that is not only economic, but above all scientific, technical, and cultural, designed to restore that which existed three years ago.

I am very grateful to esteemed Islam Abduganiyevich [Karimov] for the fact that in both meetings and negotiations he has shown confidence in us and given us assistance.

Of course, he is right in making the point that we must cope with the difficulties that face us. But of course, without one's friends.... Well, not just friends: The Tajiks and Uzbeks are blood brothers. When things are hard we turn to our blood brothers.

On behalf of the Tajikistan delegation I am very grateful to Islam Abduganiyevich and the people of Uzbekistan for the mutual understanding that we have arrived at today.

Karimov Urges Democratic Elections

LD0910105994 Tashkent Radio First Program Network in Uzbek 1400 GMT 8 Oct 94

[Speech by President Islam Karimov at news conference with Tajik Supreme Council Chairman Emomali Rakhmonov; place and date not given—recorded]

[FBIS Translated Excerpt] [Passage omitted] Today we have exchanged opinions on a number of matters, above all on the forthcoming presidential elections and the referendum on the new constitution, which are to be held in November.

Our opinion is that today we should create democratic, fair conditions so that the majority of voters and the various social and political forces who take a positive view of Tajikistan's future will be able to take part in the elections. We discussed the conditions for holding the elections, conditions that are recognized in the rest of the world. We think that the measures we have undertaken today will create positive conditions tomorrow.

My personal opinion is that if the elections in Tajikistan are conducted under the conditions that we are hoping for, aiming at, and recommending; if the people of Tajikistan—every voter living in Tajikistan—elects their leader fairly and if they accept him as a leader, then this will be the single guarantee and condition for peace, accord, and stability in Tajikistan, and for increasing its authority in the world.

Only after that can the world community be expected to assist in carrying out changes in Tajikistan that are aimed at constructing a new society there. [passage omitted]

There was another issue at the talks. A great many people speak about the tragedy in Tajikistan and express their concerns about it. Many countries express their various views on it, there are many writers, many empty words. But at this crucial time for Tajikistan there are few who help it practically to ease the difficulties it is currently experiencing. Alas, life shows that many just do lip-service and brag about their generosity, but the people living in Tajikistan, Tajiks and other peoples, including Uzbeks, are not receiving what they could receive. Our duty is to tackle this issue, that is to draw international attention to Tajikistan. Winter is approaching, people should not suffer from hunger. Warmth is necessary during winter, bread is necessary, butter is necessary. Many other difficulties will arise during winter. How can winter be overcome? I think that this is a matter of close concern to us and many problems arising from it have to be faced. I would like to use this occasion to once more personally point out that the Uzbeks and Uzbekistan have always supported Tajikistan, will support it in the future, and will share Tajikistan's pain. [passage omitted]

Government Accused of Aiding Afghan Opposition

LD0710181794 Moscow ITAR-TASS in English 1804 GMT 7 Oct 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations October 7 TASS—Afghanistan accused Uzbekistan of interfering in its internal affairs by "military assistance to opposition elements" and called the U.N. Security Council to send its military observers to the Afghan-Uzbek border.

Uzbekistan dismissed the accusations, saying it was delivering only humanitarian aid to Afghanistan on request from its government.

"Despite numerous initiatives and measures which Afghanistan has undertaken through bilateral and multilateral channels to stop Uzbekistan's obvious interference in its internal affairs, Afghanistan has to state with regret that Uzbekistan is again using large-scale military actions," says the letter from Afghan Acting Deputy Foreign Minister, Najibullah Lafra'i, which was circulated here today as the Security Council's document.

The statement says Uzbekistan is delivering massive military aid to Afghanistan's opposition from the port of

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Termez, which is on the right bank of the Oxus River. The aid is said to include heavy and light combat equipment and ammunition. Afghanistan also contends that Uzbekistan's forces bombarded Afghanistan's town of Kunduz and its suburbs.

The document points out that with these misdeeds being repetitive, Afghanistan thinks the U.N. should consider the sending of a U.N. monitoring group to the Afghan-Uzbek border.

The statement says Afghanistan is so far refraining from action, but it will undertake proper measures if hostile acts are continued.

Uzbekistan denied its interference in Afghanistan. Addressing the 49th session of the U.N. General Assembly, Uzbekistan's Foreign Minister Aziz Kamilov said: "In fact, the only assistance which Uzbekistan gives to neighbouring Afghanistan on request from its government is humanitarian aid which is sent to the country's impoverished population and to Tajik refugees."

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Azerbaijan

Discussions on Guseynov Removal Reported

NC0710133594 Baku TURAN in English 1221 GMT 7 Oct 94

[FBIS Transcribed Text] Baku (October 7) TURAN—Yesterday at 21 p.m., three hours late, Azerbaijan's Milli Mejlis began discussion of socio-political situation in the country. The Speaker of Parliament, Rasul Guliyev, read out Presidential decree concerning removal of Prime-Minister, Suret Guseynov, from his office due to his involvement in attempt to coup d'etat. The issue has been put to vote and included in the agenda by majority of deputies.

Suret Guseynov asked the floor and asked life TV broadcast of his speech. At first Rasul Guliyev rejected this suggestion referring to difficult situation in the country. Then this issue has been put to vote and was also rejected by the majority of deputies.

Azerbaijan's Minister of Internal Affairs, Ramil Usubov, addressing the session of the Milli Mejlis, said that there was an attempt of coup d'etat in Ganja city. The mutinies seized administrative buildings, objects and airport.

"The authorities took operative measures and this attempt was prevented. During the operation, out of governmental troops three soldiers were killed and six ones were wounded. Seven mutinies were killed, dozens were wounded and 127 mutinies were arrested and brought to Baku. The following leaders of the mutiny, Ilgar Safikhanov, Vakhid Tajibov, Aytekin Goshgarov, and Keramet Kerimov, are also among the arrested. Three prisoners have been found in the basement of Keramet Kerimov's house. They have been kept there from April 1994".

Azerbaijan's Defense Minister, Mamedrafi Mamedov, said that when the mutinies seized the fuel base, the army was ordered to take the airport under the control. Azeri Defense Minister also said that the army did not open the fire. However, mutinies fired at military barracks from their Headquarters and wounded three soldiers. After that loyal to Azeri President sub-units were ordered to seize the Headquarters of mutinies. They found there 17 machine-guns, ammunitions, submachine guns, 35 grenade discharger cups. Governmental troops also found there two hostages, said Mamedrafi Mamedov.

Touching upon the sources of Parliamentary crisis, which presently take place in Azerbaijan, the Chairman of National Independence party, Etibar Mamedov, told Turan that "the country will face such events until old Soviet Constitution is valid in Azerbaijan".

Prime-Minister, Suret Guseynov, has been given the floor in the Parliament as well. He said that he does not recognize accusations brought against him.

Azerbaijan's Defense Minister, Minister of Internal Affairs and Deputy General Procurator say that I am involved in this developments, Suret Guseynov said. However, it is not true since the investigation is not completed. I am the target of planned scenario. It is ridiculous to say that I headed the activities of my relatives. He also explained that on October 4 approximately 3,000 soldiers gathered in Ganja and they intended to conduct rally demanding peaceful settlement of situation in Baku. Azeri President and speaker agreed to send the Chief of Interpol in Azerbaijan, Ilgar Safikhanov, to Ganja to take the control over governmental objects to prevent all provocations.

"If I intended to commit a coup d'etat, I would have done it in Baku, since my cabinet is only 100 metres way from President's cabinet", Suret Guseynov said.

At the end of his speech, Prime-Minister demanded creation of Deputy Commission for investigation of all developments.

Then deputies by the majority of votes (31 votes to 1 with 6 abstentions) adopted Presidential resolution concerning removal of Suret Guseynov from office of Prime-Minister. By the majority of votes (33 votes for 4 with 1 abstentions) he was removed from the Milli Mejlis.

Mikhail Zabelin, former Geydar Aliyev's assistant, was elected the member of the Milli Mejlis instead of Suret Guseynov.

Over the past two years, Mikhail Zabelin, was the Chairman of "Russian community of Azerbaijan" organisation.

The speaker of Parliament said that the issue concerning election of Vice-speaker will be discussed during tomorrow's session of the Milli Mejlis.

After that the Milli Mejlis's session ended.

Abbasov Tipped To Replace Guseynov

LD0710140394 Moscow INTERFAX in English 1146 GMT 7 Oct 94

[FBIS Transcribed Text] In the early hours of Friday Azerbaijan's Milli-Mejlis, parliament, confirmed President Aliyev's decision to remove from office Prime Minister Surat Guseynov.

A high-ranking official on President Aliyev's staff told Interfax that First Vice Premier Fuat Guliyev was appointed acting prime minister.

Aliyev accused Guseynov of complicity in an attempt to carry out a coup d'etat in the western city of Ganja on October 4, as well as of incompetence.

Thirty one members of the national legislature voted to confirm Aliyev's decision. One lawmaker opposed the

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decision, with the others either abstaining or failing to attend the sitting. Thirty eight out of the 50 lawmakers met in session Friday.

On Parliament Chairman Guliyev's suggestion, the Milli-Mejlis deprived Guseynov of his parliamentary mandate (33 lawmakers voted in favor, 4 against, 1 abstention). Mikhail Zabelin, a member of Azerbaijan's Russian-speaking community, will replace Guseynov in parliament.

Addressing lawmakers, Guseynov rejected the accusations. He said the recent developments in Baku and Ganja had been aimed at ousting him from politics.

Guseynov has requested the opportunity to make a live appearance on national television to explain his position while Parliament Chairman Guliyev turned down this request on the grounds that social and political tensions in the country were already high enough.

The Milli-Mejlis is expected to convene on Friday afternoon.

According to unverified reports, First Vice Premier Abbas Abbasov will replace Surat Guseynov as Azerbaijan's Prime Minister. Both Guseynov and Abbasov were born in Ganja.

Local analysts see Abbasov's appointment as highly probable. Abbasov is known to favor pro-Russian policies. More than once his contacts with government executives and entrepreneurs of Russia and other Commonwealth republics benefited Baku in critical situations.

Further more, experts point out that the new appointment is likely to work in Geydar Aliyev's favor. The latter is said to show favoritism for the Nakhichevan region. With the appointment of Abbas Abbasov he may be hoping to address Ganja's displeasure over Guseynov's removal.

Parliament Confirms Removal of Prosecutor General

LD0810175994 Moscow INTERFAX in English 1607 GMT 8 Oct 94

[FBIS Transcribed Text] On Saturday it took Azerbaijan's milli-mejlis, or parliament, ten minutes to confirm President Aliyev's decision to remove from office Prosecutor-General Ali Omarov. Thirty four of the fifty members of the Azeri legislature voted in favor of the decision.

In the evening of October 2 Ali Omarov was beaten up when riot police broke into his office. He was accused of corruption. Last Thursday radio Azerbaijan said Omarov "could not cope with his duty for health reasons."

Arrested Guseynov Supporters Taken to Baku

NC0910201094 Baku TURAN in English 1046 GMT 8 Oct 94

[FBIS Transcribed Text] Baku, October 8 (TURAN)—Last evening Aypara Aliyev, an assistant of ex-Premier, Suret Guseynov, who had been arrested in Ganja city on October 5, 1994, was delivered to Baku by the helicopter, an informed source from Azerbaijan's Ministry of Internal Affairs told TURAN. The same source reports the Head of Nizami region Police Department of Ganja city, Lieutenant Colonel Fahraddin Ismailov, the head of investigation office of Ganja city, Major Shahin Guseynov, the Chief of Road Police of Ganja, captain Chapai Ahmedov, the Head of Ganja's Department of Police for struggle against drugs, Major Mehman Shirinov.

All above-mentioned persons are accused of involvement in Ganja events on October 4, which were called by President Aliyev and Parliament of the country as "attempt of coup d'etat".

The official accusation to those arrested persons has not been brought yet, the sources from the Ministry of Internal Affairs say.

Spokesman Denies Rumored Arrest of Guseynov

LD1010131094 Moscow INTERFAX in English 1153 GMT 10 Oct 94

[FBIS Transcribed Text] Rumors about the arrest of Azerbaijan's ex-premier Suret Guseynov are baseless, a spokesman for the Azerbaijani president reported to Interfax. "Guseynov is in Baku, nothing threatens him for the time being," he noted.

In his words, negotiations on Guseynov's "further fate" are underway. One possibility under consideration is to appoint him ambassador to a so far undetermined country.

Guseynov was dismissed from the post of prime minister on October 6 on charges of collaboration with the military which had attempted to overthrow the legitimate government in Ganja, Azerbaijan's second largest city.

Guseynov Accuses Officials Before Dismissal

NC0710134294 Baku TURAN in English 1221 GMT 7 Oct 94

[FBIS Transcribed Text] Baku (October 7) TURAN—Several hours before he was removed from his office, Suret Guseynov distributed a statement concerning the situation in the country and accusations, which had been brought against him.

The statement reads that he is compelled to issue a statement due to serious accusations, he is charged with.

"It was difficult for me stay on the tribune of "Azadlig" square when President Aliyev told offences to my address", reads the statement. "As far as Ganja's developments are concerned, I refute all misinformations, which President's encirclement presents to him".

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Addressing to recent tragic events, Suret Guseynov, says that they are connected with Ministry of National Security and Ministry of Internal Affairs and which did not and do not subordinate to him. He says that escape of prisoners from isolator of Ministry of National Security and the escape of sentenced to death prisoners from Bailov jail—is a delicate game and they place responsibility for it on him.

"Until now I kept silence, but if necessary I will show you criminals, which are hired by persons from Presidential's circle, in order to remove me. I have enough facts testifying against Procurator General, Ali Omarov, which for the period of one year took bribes and collected millions of dollars and I also have video-cassettes, which expose several persons from Presidential's circle", Suret Guseynov says.

"Bribery and corruption flourish in Azerbaijan and those, who had given bribes and occupied top offices, like vacuum cleaner take bribes from the heads of enterprises, plants and hospitals", reads the statement of Suret Guseynov.

The Premier also said that the statement is recorded on video-cassette and is manifolded in security purposes.

"The consequences force me to take necessary measures for security of my family and thousands of people, with whom I fought in Karabakh", reads Suret Guseynov's statement.

Guseynov Denies Knowledge of Coup

NC0710224394

[FBIS Editorial Report] Baku Azerbaycan Radio Televiziyasi Television Network in Azeri at 1645 GMT on 7 October begins broadcasting a recorded report from the Azerbaijani National Assembly session on 6 October.

In opening the session, Rasul Guliyev, chairman of the National Assembly, submits President Geydar Aliyev's decree on the removal of Prime Minister Suret Guseynov from his post to discussion.

At 1659 GMT Interior Minister Ramil Usubov takes the rostrum and recounts the armed takeover attempt in Ganja on 4 October by "relatives close to the prime minister." Usubov adds: "There was also a coup attempt in Yevlahk on 4 October. However, the local administration together with the law enforcement organs obstructed and suppressed the coup. Following operations, some members of the same armed formation were detained and 12 machine guns were seized during the search of the wool factory [where Guseynov was once director] at Yevlakh." He says: "It has now been established that the leaders of the coup in Ganja were all close friends or relatives of Suret Guseynov."

At 1706 GMT the defense minister starts speaking in Russian.

At 1717 GMT Acting National Security Minister Namik Abbasov addresses the session and supports the views expressed by Aliyev at rallies on events in Ganja. He says: "On Tuesday and yesterday, our sagacious leader Geydar Aliyev erected an insurmountable barrier against the disaster that was threatening the Azerbaijani people and the state. However, this relative calm is still very fragile. The Special Purpose Police detachment at 8th-km and the still unexposed criminal groups have not yet laid down their arms. They are watching for an opportunity. I know tens of armed groups that have joined forces abroad and are not laying down their arms. They are still pinning hope for support from without. If firm and urgent measures are not taken, new attempts could be made to drag the Republic into a civil war and there could be mass killings; the people and history will never forgive us for that." He goes on to warn that the coup attempt was prepared by the special services of those states that became uneasy with Azerbaijan's successful foreign and domestic policies of late. He says he has information that Armenian "terror organizations have instructed their agents in the Republic to carry out sabotage activities," and that foreign services are trying to encourage a number of opposition parties to cooperate with the rebels and to undermine the five-month ceasefire. He says the latest information shows that "the Armenians have placed their troops on high combat readiness in Kelbajar and Agdere [Mardakert] Rayons." He says the possibility of such a threat from the enemy increases when there is more confusion at home. He adds: "The criminal situation in the Republic has been further aggravated in recent days. If the present confrontation continues, the law enforcement organs will be extremely strained and may expose the people to numerous grave crimes." Therefore, he expresses support for Aliyev's decree on a state of emergency in Baku.

At 1729 GMT Acting Prosecutor General Eldar Hasanov speaks briefly and says the investigation will show who the real criminals are.

At 1732 GMT Guliyev asks if any deputy wants to address the session. None of them does.

Here the reporter interjects, saying: "The indifference of most of the deputies to the issue at hand once again proved that our parliament was far from the solidarity and unity displayed by the people."

At 1733 GMT Suret Guseynov says he will address the assembly if the session is directly broadcast on television. Guliyev says under the present conditions it would be inappropriate to air live coverage of the session, but it could be aired on television after the session.

At 1735 GMT Suret Guseynov takes the rostrum and says he does not agree with the information provided by the interior and national security ministers and the acting prosecutor general. He says that before accusing anyone an investigation should have been carried out into the incidents. He says: "It is being claimed that this incident is directly linked to the prime minister. How do

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you know this and from whom? One cannot make such claims before carrying out an investigation. That is, this is an open lie." He says he had no knowledge of the incidents in Ganja when they first started at around 1900 to 2000 on 4 October, learned about it from Aliyev, and promised the latter that he would investigate and report back. He adds that he learned that the former Karabakh fighters wanted to hold a rally to urge the president to resolve the dispute with [Deputy Interior Minister] Rovshan Javadov peacefully.

Guseynov adds: "This was all that I knew about the incidents in Ganja when they first started. I had no intention to carry out a coup d'etat there. If one wanted to carry out a coup he could have done it in Baku. What coup d'etat was I going to carry out in Ganja? If I wanted to replace the president my office is just 100 meters from the president's office. What coup d'etat are you talking about? Simply put, there were people there who committed disturbances and provocations."

He says he briefed the president on the situation in Ganja, yet Aliyev met the party leaders on the same day and showed an article from the Turkish HURRIYET paper saying that [former president] Abulfaz Elchibey, Suret Guseynov, and Rovshan Javadov want to carry out a coup d'etat. Guseynov says that HURRIYET report also included Rasul Guliyev's name and talked about possible future presidents of Azerbaijan. Guseynov adds: "At around 2200 to 2300 the president telephoned me to ask for information on the Ganja situation. I am telling the truth. I had no knowledge of this affair. Claims that I sent [cabinet official] Tajibov there to launch such a movement are calumnies. I believe this does not accord with reality."

Guseynov says he worked to bring about a peaceful resolution of the conflict. He said at 0530 on 5 October he contacted Ganja and learned that everything was calm there and that "there was not a single armed man on the streets." He said he informed the interior minister of that and tried to inform Aliyev but could not because he was told that the president had gone to his house to rest. He also could not reach Rasul Guliyev. Guseynov adds: "It was illegal to conduct a new operation there while all these talks were going on." He says the attack on the city's guest house was unprovoked. He also says he cannot be held responsible for his relatives actions.

Guseynov says: "The scenario was arranged to show my direct involvement in it. But I want to inform the Assembly and the Azerbaijani people that I had no knowledge of this affair. There were only reports that the former fighters would simply express solidarity with Rovshan Javadov and an appeal would be sent to the president. But, a coup d'etat? I do not know when Ganja became the capital of Azerbaijan so a coup could be carried out there. Why should anyone bring about change in Ganja? Ganja already belongs to the people there. Therefore, I strongly disagree with things said here. An incident has taken place and blood has been shed. I demand that a parliamentary investigation commission be set up to investigate the incident on the spot and find out when and how it all started."

At 1755 GMT Guliyev challenges Suret Guseynov's version of the developments.

At 1814 GMT a few deputies express their views on the affair.

At 1823 GMT Guliyev opposes a deputy's proposal to form a parliamentary commission to investigate the issue. He says the law enforcement organs are looking into the case already.

At 1847 GMT Suret Guseynov replies to a deputy's accusations, saying: "Let me tell you openly that these [Ganja] incidents are very dark for me as well. That is why I proposed the creation of a parliamentary investigation commission to look into the affair." Suret Guseynov reiterates his innocence and tells Guliyev: "Rasul Guliyev, whoever created problems there should be brought to justice. The incidents there were directed not against the state but me personally. Only I have suffered from it, not the state, not you, not anybody else. I am also in the dark as to why this incident occurred and who did it. Secondly, Rasul Guliyev, had I wanted a coup—which I never wanted, after all a war is going on in our Republic—I could have resorted to other types of actions." He says he "is in the dark as to who disrupted the situation and what sort of movements took place there."

At 1900 GMT, at Rasul Guliyev's proposal, the parliament votes to remove Guseynov from his post and his membership in parliament.

The session ends at 1906 GMT.

Aliyev Said To Offer Guseynov Diplomatic Post

NC1010142194 Baku TURAN in English 0743 GMT 10 Oct 94

[FBIS Transcribed Text] Baku, October 10 (TURAN)—On October 6 Rasim Akberov, the Commander of the unit, which had supressed the mutiny in Ganja, with the group of armed persons bursted in the houses of Suret Guseynov's relatives in Ganja city and robbed them, the sources from Ganja report.

Rasim Akberov confiscated carpets, two cars, jewelry and another valuable household articles.

The same source report that beginning in October 6 harassment against Suret Guseynov's supporters started in Ganja. Deputy of Ganja's Mejlis, Deputy Chairman of Socio-Democratic Party of Azerbaijan, Aypara Aliyev, was arrested in his house and then delivered to Baku by helicopter. The Chairman of Ganja's Mejlis, Chingis Sadykhov, told TURAN that "one needs permission from Mejlis [city council] of Ganja city to arrest Deputy Aypara Aliyev".

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On October 8, the head of the press-centre of the Cabinet, Enver Gafarly, was removed from his duties.

The source from Azerbaijan's Ministry of Internal Affairs told that by decree of the Minister of Internal Affairs, 18 persons from transport police, who were connected with the Chief of Azerbaijan's bureau of Interpol, Ilgar Safikhanov, are removed from their duties as well. At the same time, the Procurator of Baku's Nizami region, who is suspected in cooperation with Suret Guseynov's supporters, is also removed from his post.

The Ministry of National Security reports that the number of arrested during Ganja's events came to 200 persons.

Simultaneously, Suret Guseynov did not leave Baku. Informed sources report that on October 7 there was a meeting between President Aliyev and ex-Premier. According to unofficial information, President Aliyev offered Suret Guseynov to occupy an important diplomatic post in one of Moslem countries. Suret Guseynov's reaction on President Aliyev's offer is unknown.

Together with this, it is not excluded that in the near future President Aliyev will again meet with Suret Guseynov.

Aliyev Introduces State of Emergency in Ganja

NC1010174694 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 10 Oct 94

[Decree by President Geydar Aliyev, issued 10 October—read by announcer]

[FBIS Translated Text] As a result of the coup attempt in Ganja on 4 October the rebels occupied the state organs and used violence against civilians. Despite the suppression of the rebellion, a number of criminals who took part in the rebellion are continuing their activities directed against the state and are attempting to undermine the social order in that city. This is perpetuating some tension in the city and causing justified disquiet on the part of the population.

Resolute measures are needed for the purpose of ensuring the normal functioning of the state organs whose activities have been disrupted, restoring law and order in the city, and strengthening the struggle against the insurgent criminal elements.

In view of the above and of the necessity to ensure the security of the residents and the vitally important installations in the city, and guided by Article 121/4 of the Azerbaijani Constitution and the Azerbaijani Law on State of Emergency, I hereby decide that:

1. A state of emergency is to be introduced in the city of Ganja.

2. The following measures are to be implemented during the state of emergency:

—the introduction of special regulations on transportation to and from the city.

—the state organs are to increase the protection of government buildings and installations vital to the economic life of the city.

—joint patrols by the military units of the Defense, Interior, and National Security ministries will be instituted.

—rallies, meetings, demonstrations, and other mass actions are to be banned.

—all vacations are suspended.

—searches of transportation vehicles will be carried out.

—after an appropriate warning, the activities of those political parties, social organizations, and mass movements that obstruct the normalization of the situation will be curtailed.

—the control of citizens' documents.

—personal searches will be made in response to reports of arms in the possession of citizens.

—the seizure of arms, military hardware, poisonous and explosive materials from citizens, administrations, and businesses.

—those who are not Ganja residents and who break the social regulations will be expelled from Ganja.

—the suspension for the duration of the state of emergency of those heads of government administrations, offices, and organizations who do not appropriately execute their tasks, and the appointment of other persons to temporarily perform the duties of the former.

—the introduction of special regulations on the use of the communications network.

—the introduction of curfew hours.

3. The implementation of the measures envisaged in the second paragraph of this decree be entrusted to the commandant of the state of emergency region.

4. The implementation of the state of emergency is to be ensured by the forces of the Ministries of Defense, Interior, and National Security.

5. The duration of the state of emergency is 60 days.

6. The Azerbaijani Republic National Assembly is advised to ratify the state of emergency in Ganja within 24 hours, and to inform the UN Secretary General on the reasons for it.

7. This decree goes into effect as of 0000 on 11 October 1994.

[signed] President the Azerbaijani Republic Geydar Aliyev, Baku, 10 October 1994.

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Curfew Imposed in Baku Beginning 8 Oct

NC0710151294 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1347 GMT 7 Oct 94

[Order issued by the military commandant of Baku City in Baku on 7 October—read by unidentified officer]

[FBIS Translated Text] Greetings, the order of the military commandant of Baku City:

Based on Paragraph 6 of Article 17 of the Azerbaijani Republic Law on Criminal Situations, and Points 2 and 3 of the decree issued by the president of the Azerbaijani Republic on 3 October 1994 on the introduction of a state of emergency in Baku City, I order:

1. A curfew be imposed from 0000 to 0500 as of 8 October 1994 in the city of Baku.

2. The Baku City military command's headquarters and rayon military commandants be charged with the execution of measures connected with the curfew hours.

3. The heads of administrations, enterprises, and organizations in Baku and the city residents be informed that the movement of persons and vehicles in the city is banned during the curfew hours without relevant permits.

[Signed] Meherrem Aliyev, military commandant of Baku City.

Local Baku Offices To Enforce State of Emergency

LD1010135294 Moscow ITAR-TASS World Service in Russian 1255 GMT 10 Oct 94

[By ITAR-TASS correspondents Sevindzh Abdullayeva and Viktor Shulman]

[FBIS Translated Text] Baku, 10 Oct—Eleven rayon and five specialized military commendant's offices started to operate today in the capital of Azerbaijan. They have been formed by order of the Baku military commandant on the basis of a decree from the president of the republic, announcing a state of emergency on 3 October.

Under the state of emergency rules, the guarding of particularly important facilities in the town has been organized, checkpoints have been set up on the way into and out of the town, and transport is being inspected. Access to Baku is restricted for out-of-town citizens without the appropriate authorization.

In the capital, as well as in other towns and rayons of the republic, a stable situation is being maintained. Life is also proceeding normally in Ganja, where around a week ago there was an attempted coup d'etat. According to some information, the trail of this rebellion leads back to a number of formerly high-ranking individuals in Azerbaijan, the names of whom are not being given for the time being in the interests of the inquiry.

'Purge' of Corrupt Officials Continues

MM1010161294 Moscow IZVESTIYA in Russian 11 Oct 94 p 2

[Report by Sokhbet Mamedov: "Curfew Imposed in Baku"]

[FBIS Translated Text] Baku—The first order issued by the newly appointed military commandant of Baku—Police Colonel M. Aliyev—imposed a curfew in the capital as of 8 October this year. It will be in force between midnight and 0500.

Fifteen precinct commandants' offices have been set up in the city and their leaders appointed. Checkpoints have been set up for entering and leaving Baku. Only people ordered to Baku or with a very good reason can now travel to the Azerbaijani capital. A pass system has been introduced for movement around the city during the curfew.

The population of Baku and the republic are understanding about these, at first glance unpopular, steps by the leadership. People here are convinced that a state of emergency not only limits certain freedoms but—paradoxically—is an effective measure to restore order, enhance discipline, and improve supplies of primary necessities to the population. So life in the city is going along normally, **without** any signs of tension or of a possible deterioration in the situation.

This fact allows the authorities to calmly investigate the reasons that have given rise to the recent dramatic events in the republic, and to draw the appropriate conclusions. The conclusions were not long in coming. The authorities seem to have decided to review their personnel policy, which was not popular with the overwhelming majority of society.

There is now a widespread view in society that the republic's general prosecutor--Ali Omarov—has a leading place on the long list of the biggest bribe-takers in the republic. He moved to Baku from Ganja, where he had been a rail transport prosecutor. In June last year he found himself alongside Surat Husaynov and went with him to Baku to take up the post of general prosecutor. According to certain information, it was Ali Omarov who provoked the recent dangerous incident of the seizure of the General Prosecutor's Office building by the Special-Purpose Police Detachment. For this reason, having decided to accept Omarov's resignation, the parliament has organized a committee to investigate the general prosecutor's activity. At the same time, his two deputies have been relieved of their duties.

There have also been personnel changes within the Azerbaijani MVD [Ministry of Internal Affairs]. R. Dzhangirov, chief of staff at the MVD, and Ilgar Safikhanov, one of the leaders of the Ganja putsch and head of the Azerbaijani branch of Interpol, have been dismissed from the system under a ministry collegium decision. The latter is currently under arrest and is testifying in the

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investigation. In the opinion of observers, the process of a "personnel purge" in the republic will pick up steam. But nobody can yet say whether it will touch the immediate entourage of Geydar Aliyev.

Yeltsin Expresses 'Complete Support'

NC1010085594 Baku AZERTAC in English 0523 GMT 10 Oct 94

[FBIS Transcribed Text] Baku October, 8—In yesterday's (?telephone) conversation with the President Aliyev, the President of Russia Mr. B. Yeltsin expressed his complete support to the Azerbaijani [word indistinct] in the name of strengthening the state independence and sovereignty of the Republic of Azerbaijan. This statement was issued [passage indistinct] of the Azerbaijani president and spread by [word indistinct] channels of AZERTAC to the same source of information, the leaders of the two countries have changed opinions on peaceful resolution of the conflict over Nagorno-Karabakh. The Russian president has informed Mr. Aliyev about his talks on this subject with the American President Mr. Bill Clinton. Mr. Aliyev thanked his Russian colleague for support provided in these hard days of the Republic and Russian leaderships efforts in order to reach [passage indistinct] peaceful resolution of the abovementioned conflict.

The press service of the Azerbaijani president also informed that the two leaders had discussed issues on further development of trade and economic relations between the two countries.

Iranian, Turkish Reaction to Coup Attempt Reported

NC0910203994 Baku TURAN in English 1159 GMT 8 Oct 94

[FBIS Transcribed Text] Baku, October 8 (TURAN)—"We are glad that the mess in Azerbaijan has ended peacefully. National unity is very important for Azerbaijan, which is in a state of war," said yesterday during the evening prayer Iranian President Hashemi-Rafsanjani.

Hashemi-Rafsanjani noted that the government is controlling the situation in the country and serves to its people. He noted that under the conditions, when 20 percent of the country's territories are under occupation, the fights for power in Azerbaijan is unthinkable. He expressed a hope that such events would not take place any more.

Turkish government with great concern followed the latest terroristic actions and antigovernment actions which took place in Baku. With great satisfaction Turkish government notes the state experience of the president Aliyev, as due to him it became possible to prevent a dangerous events in Azerbaijan.

Turkish government expressed hope that Azerbaijan's population would be able to find forces for the unification and for the solution internal and external problems of the country, for establishing the democratic system and economic restoration of the country under the continuing Armenian aggression.

Recent Events Incited by Opponents to Oil Contract

LD0710205594 Moscow INTERFAX in English 1903 GMT 7 Oct 94

[Text] The president of the State Oil Company of Azerbaijan, Natik Aliyev, does not rule out that the recent events in Azerbaijan could have been incited by forces interested in torpedoing the contract on the exploitation of Caspian oil sites that Baku signed with a western oil consortium.

In an interview with Interfax Friday, Aliyev pointed out that those forces "both internal and external are doing their best for the contract's disapproval by the Azerbaijani parliament."

"Everyone understands perfectly well that signing and enacting the contract will strengthen political stability in the republic and ensure Azerbaijan's access to a completely new level of international relations," he pointed out.

Aliyev emphasized that the parliament's approval of the contract would "undoubtedly arouse other countries' economic interest in Azerbaijan and ensure an influx of foreign investments." This is why the forces behind the former prime minister, Suret Guseynov, and other former Azerbaijani leaders "will do their best to break the internal political stability in the republic." Guseynov was relieved of his duties on October 6 following an accusation of having contacts with the military who overthrew the legitimate authorities in Ganja October 4.

Aliyev said his company and foreign companies were preparing documents required for the ratification of the contract. To prepare the contract for ratification, guarantees of the foreign companies' granting necessary funds must be secured and the issue of funding the Azerbaijani share in the project amounting to 20% must be solved.

Azerbaijan is holding talks with a number of international financial organizations on crediting the republic's share in the project, Aliyev said. However, he failed to indicate the value of Azerbaijan's share.

Earlier this afternoon, a spokesman for the Russian Foreign Ministry confirmed Russia's position as to the conclusion of the contract. Russia does not recognize the contract as violating the legal regime of using natural resources of the Caspian Sea. This position is "based on international law," the diplomat said.

The contract on the exploitation of the Azerbaijani oil sites Azeri, Chirag and deep-water Guneshli totally worth $7.5 billion was signed in Baku on September 20. For the Azerbaijani side, it was signed by the State Oil Company of Azerbaijan. The international consortium encompasses U.S. Amoco, Unocal, McDermott, Pennzoil, Ramco, British-Norwegian British Petroleum/Statoil, Turkish Petroleum Corporation and the Russian joint-stock company LUKoil.

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The contract concluded for a term of 30 years is the largest production-sharing contract in the former Soviet Union so far.

'Forces' Living Abroad Said Funding Ganja Rebels

NC1010191194 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 10 Oct 94

[FBIS Translated Text] Ganja, which was declared the capital of the Azerbaijani Democratic Republic at the turn of the century, has appeared as the usurper of independence at the close of the century. But Ganja has managed to break clear of this historic trial. Despite the fact that a part of the Ganja police and armed formations captured the vital city installations, the airport, the train station, and the military police headquarters and seized heavy weapons and armored cars from the military units on the night of 4-5 October, the rebels failed to make a stand because the people did not support them.

According to information provided by that city's new police chief Natig Efendiyev, life is returning to normal in Ganja, and the special police posts at the entrances and exits of the city are continuing to carry out stringent controls because, despite the seizure of a considerable amount of arms and military hardware from the armed formations under the control of former Prime Minister Suret Guseynov, a real possibility exists that a considerable arsenal is still hidden.

We also wish to bring to your attention the fact that the role played in this rebellion by those of our compatriots who supported the foreign enemies was not negligible. These forces living outside the republic have acted erroneously and wasted 160 million Russian rubles to support the rebellion in Ganja. This huge sum was found on a pilot who regularly flies on the Ganja-Moscow route.

These are only the uncovered facts of Ganja rebellion; many more remain hidden.

Military Procurator Office on Coup Attempt in Ganja

LD0710181194 Moscow ITAR-TASS in English 1715 GMT 7 Oct 94

[By ITAR-TASS correspondents Sevindzh Abudallyeva and Viktor Shulman]

[FBIS Transcribed Text] Baku October 7 TASS—The fact of a coup attempt made three days ago in Ganja, the Azeri west, has been established, sources at the Azeri military procurator's office told ITAR-TASS today.

Over 100 people out of the 300 suspected participants in the action have been arrested, over 100 pieces of arms have been removed. The investigation is underway, said head of the investigation group and deputy head of the procurator's office investigation department Mugabil Khalilov.

It is premature to make any conclusions, but the fact that the coup participants blocked the roads, seized and blocked the airport and the railroad terminal makes one think this was done to prevent the introduction of government troops into the city, he said.

The investigators know that ex-premier Surat Guseynov was involved in the coup attempt. A presidential decree on resignation of Guseynov names the following participants in the coup attempt—high-ranking staffer of the government Vakhid Tadzhibov, head of the Azeri Interpol bureau Colonel Ilgar Safikhanov, head of the Ganja military police Eldar Aliyev. The decree was approved last night by the Azeri parliament. It deprived Guseynov of the deputy status, and replaced him with chairman of the Azeri Russian community Mikhail Zabelin.

On the whole, the situation in Baku is tranquil. The state of emergency has been in effect for five days in the Azeri capital. All major facilities are functioning. The authorities are controlling the situation throughout the republic, including Ganja.

A meeting of the national parliament scheduled for today has been postponed till Saturday noon. It is expected to discuss personnel issues.

Interior Ministry Acts Against Criminals After Coup Try

NC1010182694 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 10 Oct 94

[Statement by the Interior Ministry Press Service; date not given—read by announcer]

[FBIS Translated Text] The Interior Ministry organs are continuing to conduct multipurpose measures to eliminate the grave consequences of the lawless acts committed by the criminals who attempted a coup d'etat in Ganja and Yevlakh in recent days, and to bring the guilty persons to account.

The police organs have determined the identity of the criminals who kidnapped the sons of Rafig Nasibov, head of Yevlakh city's executive administration; Jalil Ibrahimov, former director of the wool enterprise, and Gachakh Mamedov, director of a trade shop, and who extorted a large amount from their parents.

Yevlakh residents Mebut Aliyev, Imran Rizayev, Elkhan Guseynov; and Ganja residents Guloglan Mamedov, Elkhan Rizayev, Meherrem Rizayev, Gulbahar Bedelova; and Baku resident Ramin Guseynov are considered guilty of this grave crime and have been detained.

Two illegal automatic weapons and some ammunition were seized from Mebut Aliyev, the head of this criminal group.

Following operations and searches, the Interior Ministry organs captured seven out of 10 criminals who had escaped from the No.1 isolation ward at (?Bayil) on 1 October.

Joint measures with the Army and other law enforcement organs are continuing to stabilize the criminological situation.

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